

ESSB 5404 - CONF REPT
By Conference Committee

ADOPTED 06/04/2003

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

3 "PART I
4 GENERAL GOVERNMENT

5 NEW SECTION. **Sec. 101. FOR THE HOUSE OF REPRESENTATIVES**

6	General Fund--State Appropriation (FY 2004)	\$28,109,000
7	General Fund--State Appropriation (FY 2005)	\$28,233,000
8	Department of Retirement Systems Expense Account--	
9	State Appropriation	\$45,000
10	TOTAL APPROPRIATION	\$56,387,000

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

16 NEW SECTION. **Sec. 102. FOR THE SENATE**

17	General Fund--State Appropriation (FY 2004)	\$22,001,000
18	General Fund--State Appropriation (FY 2005)	\$23,173,000
19	Department of Retirement Systems Expense Account--	
20	State Appropriation	\$45,000
21	TOTAL APPROPRIATION	\$45,219,000

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

1 NEW SECTION. **Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
2 **COMMITTEE**

3	General Fund--State Appropriation (FY 2004)	\$1,627,000
4	General Fund--State Appropriation (FY 2005)	\$1,717,000
5	TOTAL APPROPRIATION	\$3,344,000

6 NEW SECTION. **Sec. 104. FOR THE LEGISLATIVE EVALUATION AND**
7 **ACCOUNTABILITY PROGRAM COMMITTEE**

8	General Fund--State Appropriation (FY 2004)	\$1,656,000
9	General Fund--State Appropriation (FY 2005)	\$1,799,000
10	TOTAL APPROPRIATION	\$3,455,000

11 The appropriations in this section are subject to the following
12 conditions and limitations: \$25,000 of the general fund--state
13 appropriation for fiscal year 2004 and \$25,000 of the general fund--
14 state appropriation for fiscal year 2005 are provided solely for the
15 legislative evaluation and accountability program committee, in
16 consultation with the economic and revenue forecast council, to
17 establish and maintain a set of economic indicators that could be used
18 for adjusting the statewide salary schedule by a regional cost-of-
19 living index. The economic indicators to be included in this index
20 include but are not limited to the median cost of housing.

21 (1) In developing the regional cost-of-living index, the
22 legislative evaluation and accountability program committee shall
23 collect data on the economic activity comprising the cost-of-living
24 indexes for geographic areas of the state coterminous with the
25 boundaries of the nine educational service districts established under
26 RCW 28A.310.010.

27 (2) Not later than July 1, 2004, the legislative evaluation and
28 accountability program committee shall submit the regional cost-of-
29 living index to an advisory committee for its review. The advisory
30 committee shall be appointed by the governor and shall consist of one
31 member representing the office of financial management, one member
32 representing the employment security department, one member
33 representing the office of the superintendent of public instruction,
34 and three representatives of the private sector having demonstrated
35 expertise in regional economics. The advisory committee shall not

1 receive compensation for performance of its duties but may be
2 reimbursed for travel expenses in accordance with RCW 43.03.050 and
3 43.03.060.

4 (3) Not later than October 1, 2004, the advisory committee created
5 under this section shall submit to the director of the legislative
6 evaluation and accountability program committee written comment on the
7 proposed regional cost-of-living index. The written comment may
8 include recommendations for revision to the index or its components.

9 NEW SECTION. **Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY**

10 Department of Retirement Systems Expense Account--
11 State Appropriation \$2,616,000

12 The appropriation in this section is subject to the following
13 conditions and limitations: \$178,000 of the department of retirement
14 systems expense account--state appropriation is provided solely for the
15 costs associated with leasing and moving into new office space.

16 NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**
17 **COMMITTEE**

18 General Fund--State Appropriation (FY 2004) \$6,754,000
19 General Fund--State Appropriation (FY 2005) \$6,753,000
20 TOTAL APPROPRIATION \$13,507,000

21 NEW SECTION. **Sec. 107. FOR THE STATUTE LAW COMMITTEE**

22 General Fund--State Appropriation (FY 2004) \$3,851,000
23 General Fund--State Appropriation (FY 2005) \$3,955,000
24 TOTAL APPROPRIATION \$7,806,000

25 NEW SECTION. **Sec. 108. LEGISLATIVE AGENCIES.** In order to achieve
26 operating efficiencies within the financial resources available to the
27 legislative branch, the executive rules committee of the house of
28 representatives and the facilities and operations committee of the
29 senate by joint action may transfer funds among the house of
30 representatives, senate, joint legislative audit and review committee,
31 legislative evaluation and accountability program committee,
32 legislative transportation committee, office of the state actuary,
33 joint legislative systems committee, and statute law committee.

1 NEW SECTION. **Sec. 109. FOR THE SUPREME COURT**

2	General Fund--State Appropriation (FY 2004)	\$5,462,000
3	General Fund--State Appropriation (FY 2005)	\$5,665,000
4	TOTAL APPROPRIATION	\$11,127,000

5 NEW SECTION. **Sec. 110. FOR THE LAW LIBRARY**

6	General Fund--State Appropriation (FY 2004)	\$2,045,000
7	General Fund--State Appropriation (FY 2005)	\$2,050,000
8	TOTAL APPROPRIATION	\$4,095,000

9 NEW SECTION. **Sec. 111. FOR THE COURT OF APPEALS**

10	General Fund--State Appropriation (FY 2004)	\$12,510,000
11	General Fund--State Appropriation (FY 2005)	\$12,747,000
12	TOTAL APPROPRIATION	\$25,257,000

13 NEW SECTION. **Sec. 112. FOR THE COMMISSION ON JUDICIAL CONDUCT**

14	General Fund--State Appropriation (FY 2004)	\$913,000
15	General Fund--State Appropriation (FY 2005)	\$915,000
16	TOTAL APPROPRIATION	\$1,828,000

17 NEW SECTION. **Sec. 113. FOR THE ADMINISTRATOR FOR THE COURTS**

18	General Fund--State Appropriation (FY 2004)	\$17,295,000
19	General Fund--State Appropriation (FY 2005)	\$17,340,000
20	Public Safety and Education Account--State	
21	Appropriation	\$43,389,000
22	Judicial Information Systems Account--State	
23	Appropriation	\$27,903,000
24	TOTAL APPROPRIATION	\$105,927,000

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

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

31 (2) \$750,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$750,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for court-appointed special

1 advocates in dependency matters. The administrator for the courts,
2 after consulting with the association of juvenile court administrators
3 and the association of court-appointed special advocate/guardian ad
4 litem programs, shall distribute the funds to volunteer court-appointed
5 special advocate/guardian ad litem programs. The distribution of
6 funding shall be based on the number of children who need volunteer
7 court-appointed special advocate representation and shall be equally
8 accessible to all volunteer court-appointed special advocate/guardian
9 ad litem programs. The administrator for the courts shall not retain
10 more than six percent of total funding to cover administrative or any
11 other agency costs.

12 (3) \$12,572,000 of the judicial information systems account--state
13 appropriation is provided solely for improvements and enhancements to
14 the judicial information system. This funding shall only be expended
15 after the office of the administrator for the courts certifies to the
16 office of financial management that there will be at least a \$1,000,000
17 ending fund balance in the judicial information systems account at the
18 end of the 2003-05 biennium.

19 (4) \$3,000,000 of the public safety and education account--state
20 appropriation is provided solely for school district petitions to
21 juvenile court for truant students as provided in RCW 28A.225.030 and
22 28A.225.035. The office of the administrator for the courts shall
23 develop an interagency agreement with the office of the superintendent
24 of public instruction to allocate the funding provided in this
25 subsection. Allocation of this money to school districts shall be
26 based on the number of petitions filed.

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

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

6 (7) Each fiscal year during the 2003-05 fiscal biennium, each
7 county shall report the number of petitions processed and the total
8 actual costs of processing truancy, children in need of services, and
9 at-risk youth petitions. Counties shall submit the reports to the
10 department no later than 45 days after the end of the fiscal year. The
11 department shall electronically transmit this information to the chairs
12 and ranking minority members of the house of representatives
13 appropriations committee and the senate ways and means committee no
14 later than 60 days after a fiscal year ends. These reports are deemed
15 informational in nature and are not for the purpose of distributing
16 funds.

17 (8) \$813,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$762,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for billing and related costs for
20 the office of the administrator for the courts pursuant to Engrossed
21 Substitute Senate Bill No. 5990 (supervision of offenders).

22 (9) \$1,800,000 of the public safety and education account
23 appropriation is provided solely for distribution to the county clerks
24 for the collection of legal financial obligations pursuant to Engrossed
25 Substitute Senate Bill No. 5990 (supervision of offenders). The
26 funding shall be distributed by the office of the administrator for the
27 courts to the county clerks in accordance with the funding formula
28 determined by the Washington association of county officials pursuant
29 to Engrossed Substitute Senate Bill No. 5990 (supervision of
30 offenders).

31 **NEW SECTION. Sec. 114. FOR THE OFFICE OF PUBLIC DEFENSE**

32	General Fund--State Appropriation (FY 2004)	\$666,000
33	General Fund--State Appropriation (FY 2005)	\$884,000
34	Public Safety and Education Account--State	
35	Appropriation	\$12,395,000
36	TOTAL APPROPRIATION	\$13,945,000

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

3 (1) \$51,000 of the public safety and education account
4 appropriation is provided solely for the office of public defense's
5 costs in implementing chapter 303, Laws of 1999 (court funding).

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

9 NEW SECTION. **Sec. 115. FOR THE OFFICE OF THE GOVERNOR**

10	General Fund--State Appropriation (FY 2004)	\$3,773,000
11	General Fund--State Appropriation (FY 2005)	\$3,776,000
12	General Fund--Federal Appropriation	\$1,140,000
13	Water Quality Account--State	
14	Appropriation	\$3,854,000
15	TOTAL APPROPRIATION	\$12,543,000

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

22 NEW SECTION. **Sec. 116. FOR THE LIEUTENANT GOVERNOR**

23	General Fund--State Appropriation (FY 2004)	\$549,000
24	General Fund--State Appropriation (FY 2005)	\$549,000
25	TOTAL APPROPRIATION	\$1,098,000

26 NEW SECTION. **Sec. 117. FOR THE PUBLIC DISCLOSURE COMMISSION**

27	General Fund--State Appropriation (FY 2004)	\$1,790,000
28	General Fund--State Appropriation (FY 2005)	\$1,771,000
29	TOTAL APPROPRIATION	\$3,561,000

30 NEW SECTION. **Sec. 118. FOR THE SECRETARY OF STATE**

31	General Fund--State Appropriation (FY 2004)	\$24,336,000
32	General Fund--State Appropriation (FY 2005)	\$17,092,000
33	General Fund--Federal Appropriation	\$6,967,000

1	Archives and Records Management Account--State	
2	Appropriation	\$8,150,000
3	Department of Personnel Service Account--State	
4	Appropriation	\$699,000
5	Election Account--Federal Appropriation	\$13,121,000
6	Local Government Archives Account--State Appropriation . .	\$7,067,000
7	TOTAL APPROPRIATION	\$77,432,000

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

10 (1) \$2,296,000 of the general fund--state appropriation for fiscal
11 year 2004 is provided solely to reimburse counties for the state's
12 share of primary and general election costs and the costs of conducting
13 mandatory recounts on state measures. Counties shall be reimbursed
14 only for those odd-year election costs that the secretary of state
15 validates as eligible for reimbursement.

16 (2) \$1,826,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$2,686,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for the verification of initiative
19 and referendum petitions, maintenance of related voter registration
20 records, and the publication and distribution of the voters and
21 candidates pamphlet.

22 (3) \$125,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$118,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for legal advertising of state
25 measures under RCW 29.27.072.

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

1 all criteria in (a) and (b) of this subsection have been satisfactorily
2 documented.

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

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

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

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

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

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

23 (5) \$6,038,000 of the general fund--state appropriation for fiscal
24 year 2004 is provided solely to reimburse the counties for the state's
25 share of the cost of conducting the presidential primary.

26 NEW SECTION. **Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN**
27 **AFFAIRS**

28	General Fund--State Appropriation (FY 2004)	\$228,000
29	General Fund--State Appropriation (FY 2005)	\$239,000
30	TOTAL APPROPRIATION	\$467,000

31 NEW SECTION. **Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN**
32 **AFFAIRS**

33	General Fund--State Appropriation (FY 2004)	\$194,000
34	General Fund--State Appropriation (FY 2005)	\$194,000
35	TOTAL APPROPRIATION	\$388,000

1 NEW SECTION. **Sec. 121. FOR THE STATE TREASURER**

2	State Treasurer's Service Account--State	
3	Appropriation	\$13,149,000

4 NEW SECTION. **Sec. 122. FOR THE STATE AUDITOR**

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

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

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

17 (2) \$701,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$702,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for staff and related costs to
20 verify the accuracy of reported school district data submitted for
21 state funding purposes; conduct school district program audits of state
22 funded public school programs; establish the specific amount of state
23 funding adjustments whenever audit exceptions occur and the amount is
24 not firmly established in the course of regular public school audits;
25 and to assist the state special education safety net committee when
26 requested.

27 NEW SECTION. **Sec. 123. FOR THE CITIZENS' COMMISSION ON SALARIES**
28 **FOR ELECTED OFFICIALS**

29	General Fund--State Appropriation (FY 2004)	\$83,000
30	General Fund--State Appropriation (FY 2005)	\$157,000
31	TOTAL APPROPRIATION	\$240,000

32 NEW SECTION. **Sec. 124. FOR THE ATTORNEY GENERAL**

33	General Fund--State Appropriation (FY 2004)	\$4,057,000
34	General Fund--State Appropriation (FY 2005)	\$4,109,000

1	General Fund--Federal Appropriation	\$2,845,000
2	Public Safety and Education Account--State	
3	Appropriation	\$1,814,000
4	Tobacco Prevention and Control Account--State	
5	Appropriation	\$270,000
6	New Motor Vehicle Arbitration Account--State	
7	Appropriation	\$1,180,000
8	Legal Services Revolving Account--State	
9	Appropriation	\$165,275,000
10	TOTAL APPROPRIATION	\$179,550,000

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

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

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

24 NEW SECTION. **Sec. 125. FOR THE CASELOAD FORECAST COUNCIL**

25	General Fund--State Appropriation (FY 2004)	\$638,000
26	General Fund--State Appropriation (FY 2005)	\$639,000
27	TOTAL APPROPRIATION	\$1,277,000

28 NEW SECTION. **Sec. 126. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
29 **AND ECONOMIC DEVELOPMENT**

30	General Fund--State Appropriation (FY 2004)	\$61,459,000
31	General Fund--State Appropriation (FY 2005)	\$60,801,000
32	General Fund--Federal Appropriation	\$213,287,000
33	General Fund--Private/Local Appropriation	\$10,574,000
34	Public Safety and Education Account--State	
35	Appropriation	\$10,095,000

1	Public Works Assistance Account--State	
2	Appropriation	\$1,913,000
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	Violence Reduction and Drug Enforcement Account--	
10	State Appropriation	\$9,013,000
11	Manufactured Home Installation Training Account--	
12	State Appropriation	\$256,000
13	Community Economic Development Account--	
14	State Appropriation	\$1,909,000
15	Washington Housing Trust Account--State	
16	Appropriation	\$16,740,000
17	Public Facility Construction Loan Revolving	
18	Account--State Appropriation	\$622,000
19	Lead Paint Account--State Appropriation	\$6,000
20	TOTAL APPROPRIATION	\$392,805,000

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

23 (1) \$2,838,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$2,838,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for a contract with the Washington
26 technology center. For work essential to the mission of the Washington
27 technology center and conducted in partnership with universities, the
28 center shall not pay any increased indirect rate nor increases in other
29 indirect charges above the absolute amount paid during the 1995-97
30 fiscal biennium.

31 (2) \$61,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$62,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the implementation of the
34 Puget Sound work plan and agency action item OCD-01.

35 (3) \$10,180,797 of the general fund--federal appropriation is
36 provided solely for the drug control and system improvement formula
37 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

32 These amounts represent the maximum Byrne grant expenditure
33 authority for each program. No program may expend Byrne grant funds in
34 excess of the amounts provided in this subsection. If moneys in excess
35 of those appropriated in this subsection become available, whether from
36 prior or current fiscal year Byrne grant distributions, the department
37 shall hold these moneys in reserve and may not expend them without

1 specific appropriation. These moneys shall be carried forward and
2 applied to the pool of moneys available for appropriation for programs
3 and projects in the succeeding fiscal year. As part of its budget
4 request for the succeeding year, the department shall estimate and
5 request authority to spend any funds remaining in reserve as a result
6 of this subsection.

7 (4) \$125,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$125,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for implementing the industries of
10 the future strategy.

11 (5) \$200,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$200,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for a contract with the Washington
14 manufacturing services.

15 (6) \$205,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$205,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for grants to Washington Columbia
18 River Gorge counties to implement their responsibilities under the
19 national scenic area management plan. Of this amount, \$390,000 is
20 provided for Skamania county and \$20,000 is provided for Clark county.

21 (7) \$50,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$50,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for a contract with international
24 trade alliance of Spokane.

25 (8) \$5,085,000 of the general fund--state appropriation for fiscal
26 year 2004, \$5,085,000 of the general fund--state appropriation for
27 fiscal year 2005, \$4,250,000 of the general fund--federal
28 appropriation, and \$6,145,000 of the Washington housing trust account
29 are provided solely for providing housing and shelter for homeless
30 people, including but not limited to grants to operate, repair, and
31 staff shelters; grants to operate transitional housing; partial
32 payments for rental assistance; consolidated emergency assistance;
33 overnight youth shelters; and emergency shelter assistance.

34 (9) \$697,000 of the community economic development account
35 appropriation is provided solely for support of the developmental
36 disabilities endowment governing board and costs of the endowment

1 program. The governing board may use appropriations to implement a
2 sliding-scale fee waiver for families earning below 150 percent of the
3 state median family income.

4 (10) \$800,000 of the general fund--federal appropriation and \$6,000
5 of the lead paint account--state appropriation are provided solely to
6 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).
7 If the bill is not enacted by June 30, 2003, the amounts provided in
8 this subsection shall lapse.

9 (11) \$300,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$300,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the business retention and
12 expansion program to fund contracts with locally based development
13 organizations for local business and job retention activities.

14 (12) \$200,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$200,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for the tourism office to market
17 Washington state as a travel destination to northwest states,
18 California, and British Columbia. By December 1, 2004, the department
19 shall report to the relevant legislative policy and fiscal committees
20 on the effectiveness of these expenditures.

21 (13) \$200,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$200,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for business development
24 activities to conduct statewide and/or regional business recruitment
25 and client lead generation services.

26 (14) \$60,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$60,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the community services block
29 grant program for pass-through to community action agencies.

30 (15) \$26,862,000 of the general fund--state appropriation for
31 fiscal year 2004 and \$26,862,000 of the general fund--state
32 appropriation for fiscal year 2005 are provided solely for providing
33 early childhood education assistance.

34 (16) Within the amounts appropriated in this section, funding is
35 provided for Washington state dues for the Pacific northwest economic
36 region.

1 (17) \$200,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$200,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the foreign offices (overseas
4 representatives) to expand local capacity for China, expand operations
5 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
6 exporters in expanding their sales opportunities.

7 (18) \$600,000 of the public safety and education account
8 appropriation is provided solely for sexual assault prevention and
9 treatment programs.

10 (19) \$65,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$65,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for a contract with a food
13 distribution program for communities in the southwestern portion of the
14 state and for workers impacted by timber and salmon fishing closures
15 and reductions. The department may not charge administrative overhead
16 or expenses to the funds provided in this subsection.

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

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

33 NEW SECTION. **Sec. 127. FOR THE ECONOMIC AND REVENUE FORECAST**
34 **COUNCIL**

35	General Fund--State Appropriation (FY 2004)	\$518,000
36	General Fund--State Appropriation (FY 2005)	\$519,000

1 TOTAL APPROPRIATION \$1,037,000

2 NEW SECTION. **Sec. 128. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

3 General Fund--State Appropriation (FY 2004) \$12,662,000

4 General Fund--State Appropriation (FY 2005) \$12,383,000

5 General Fund--Federal Appropriation \$23,500,000

6 Violence Reduction and Drug Enforcement
7 Account--State Appropriation \$242,000

8 State Auditing Services Revolving
9 Account--State Appropriation \$25,000

10 TOTAL APPROPRIATION \$48,812,000

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

13 (1) \$127,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$122,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to implement Second Substitute
16 Senate Bill No. 5694 (integrated permit system). If the bill is not
17 enacted by June 30, 2003, the amounts provided in this subsection shall
18 lapse.

19 (2) By November 15, 2003, the office of financial management shall
20 report to the house of representatives committees on appropriations,
21 capital budget, and transportation and to the senate committees on ways
22 and means and highways and transportation on the ten general priorities
23 of government upon which the 2005-07 biennial budgets will be
24 structured. Each priority must include a proposed set of cross agency
25 activities with definitions and outcome measures. For historical
26 comparisons, the 2001-03 expenditures and 2003-05 appropriations must
27 be restated in this format and organized by priority, activity, fund
28 source, and agency.

29 NEW SECTION. **Sec. 129. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

30 Administrative Hearings Revolving Account--State
31 Appropriation \$24,619,000

32 NEW SECTION. **Sec. 130. FOR THE DEPARTMENT OF PERSONNEL**

33 Department of Personnel Service Account--State
34 Appropriation \$16,247,000

1	Higher Education Personnel Services Account--State	
2	Appropriation	\$1,612,000
3	TOTAL APPROPRIATION	\$17,859,000

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

6 (1) The department is authorized to enter into a financing contract
7 for up to \$32,095,000, plus necessary financing expenses and required
8 reserves, pursuant to chapter 39.94 RCW. The contract shall be to
9 purchase, develop, and implement a new statewide payroll system and
10 shall be for a term of not more than twelve years. The legislature
11 recognizes the critical nature of the human resource management system
12 and its relationship to successful implementation of civil service
13 reform, collective bargaining, and the ability to permit contracting
14 out of services to the private sector. Projects of this size and
15 complexity have many risks associated with their successful and timely
16 completion, therefore, to help ensure project success, the department
17 of personnel and the office of financial management shall jointly
18 report to the legislature by January 15, 2004, on progress toward
19 implementing the human resource management system. The report shall
20 include a description of mitigation strategies employed to address the
21 risks related to: Business requirements not fully defined at the
22 project outset; short time frame for system implementation; and delays
23 experienced by other states. The report shall assess the probability
24 of meeting the system implementation schedule and recommend contingency
25 strategies as needed. The report shall establish the timelines, the
26 critical path, and the dependencies for realizing each of the benefits
27 articulated in the system feasibility study.

28 (2) The department shall coordinate with the governor's office of
29 Indian affairs on providing one-day government to government training
30 sessions for federal, state, local, and tribal government employees.
31 The training sessions must cover tribal historical perspectives, legal
32 issues, tribal sovereignty, and tribal governments. Costs of the
33 training sessions shall be recouped through a fee charged to the
34 participants of each session.

35 NEW SECTION. **Sec. 131. FOR THE WASHINGTON STATE LOTTERY**

36 Lottery Administrative Account--State

1 Appropriation \$22,743,000

2 The appropriation in this section is subject to the following
3 conditions and limitations: Within the funds appropriated in this
4 section, the lottery commission shall provide administrative support to
5 assist a task force to examine possible means to enhance state revenue
6 from gaming as follows:

7 (1) The task force shall consist of the following members:

8 (a) One member from each of the two largest caucuses of the senate,
9 appointed by the president of the senate;

10 (b) One member from each of the two largest caucuses of the house
11 of representatives, appointed by the speaker of the house of
12 representatives;

13 (c) The executive director of the Washington state lottery;

14 (d) The executive director of the Washington state gambling
15 commission; and

16 (e) The governor's designee.

17 (2) The task force shall report its findings on possible means to
18 enhance state revenue from gaming to the senate commerce and trade
19 committee, the senate ways and means committee, the house of
20 representatives commerce and labor committee, the house of
21 representatives finance committee, and the house of representatives
22 appropriations committee by January 5, 2004.

23 **NEW SECTION. Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS**

24	General Fund--State Appropriation (FY 2004)	\$204,000
25	General Fund--State Appropriation (FY 2005)	\$204,000
26	TOTAL APPROPRIATION	\$408,000

27 **NEW SECTION. Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN**
28 **AFFAIRS**

29	General Fund--State Appropriation (FY 2004)	\$198,000
30	General Fund--State Appropriation (FY 2005)	\$199,000
31	TOTAL APPROPRIATION	\$397,000

32 **NEW SECTION. Sec. 134. FOR THE PERSONNEL APPEALS BOARD**

33	Department of Personnel Service Account--State	
34	Appropriation	\$1,725,000

1 NEW SECTION. **Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**

2 **OPERATIONS**

3 Dependent Care Administrative Account--State

4 Appropriation \$384,000

5 Department of Retirement Systems Expense Account--

6 State Appropriation \$44,485,000

7 TOTAL APPROPRIATION \$44,869,000

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

10 (1) \$31,000 of the retirement systems expense account appropriation
11 is provided solely to implement House Bill No. 1519, chapter 155, Laws
12 of 2003 (unreduced duty death survivor benefits).

13 (2) \$1,678,000 of the retirement systems expense account
14 appropriation is provided solely to implement House Bill No. 2197,
15 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'
16 plan 2 board implementation).

17 (3) \$2,083,000 of the retirement systems expense account
18 appropriation is provided solely for the support of the information
19 systems project known as the electronic document image management
20 system.

21 (4) \$124,000 of the department of retirement systems expense
22 account--state appropriation is provided solely to implement Senate
23 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'
24 retirement credit).

25 (5) \$77,000 of the department of retirement systems expense
26 account--state appropriation is provided solely to implement Senate
27 Bill No. 5100, chapter 32, Laws of 2003 (fallen hero survivor
28 benefits).

29 (6) \$21,000 of the department of retirement systems expense
30 account--state appropriation is provided solely to implement House Bill
31 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

32 (7) \$30,000 of the department of retirement systems expense
33 account--state appropriation is provided solely to implement House Bill
34 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

35 (8) \$324,000 of the department of retirement systems expense
36 account--state appropriation is provided solely to implement Substitute
37 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

1 (9) \$125,000 of the department of retirement systems expense
2 account--state appropriation is provided solely to implement Substitute
3 House Bill No. 1202, chapter 293, Laws of 2003 (emergency medical
4 technicians' retirement).

5 NEW SECTION. **Sec. 136. FOR THE STATE INVESTMENT BOARD**

6	General Fund--State Appropriation (FY 2004)	\$100,000
7	State Investment Board Expense Account--State	
8	Appropriation	\$13,262,000
9	TOTAL APPROPRIATION	\$13,362,000

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$100,000 of the general fund--state
12 appropriation for fiscal year 2004 is provided solely for a contract
13 with a real estate investment consultant to prepare options and
14 recommended investment strategies for surplus property at the five
15 state residential habilitation centers, where the proceeds will be
16 deposited into an account to fund services for developmentally disabled
17 clients. In developing the recommended strategies for the Fircrest
18 school property, the contractor shall identify an investment strategy
19 that will produce a long-term investment return on the property,
20 without sale of the land. The report shall be submitted to the
21 appropriate committees of the legislature by December 1, 2003.

22 NEW SECTION. **Sec. 137. FOR THE DEPARTMENT OF REVENUE**

23	General Fund--State Appropriation (FY 2004)	\$82,644,000
24	General Fund--State Appropriation (FY 2005)	\$81,916,000
25	Timber Tax Distribution Account--State	
26	Appropriation	\$5,191,000
27	Waste Education/Recycling/Litter Control--State	
28	Appropriation	\$101,000
29	State Toxics Control Account--State	
30	Appropriation	\$67,000
31	Oil Spill Administration Account--State	
32	Appropriation	\$14,000
33	TOTAL APPROPRIATION	\$169,933,000

1 NEW SECTION. **Sec. 138. FOR THE BOARD OF TAX APPEALS**

2	General Fund--State Appropriation (FY 2004)	\$1,141,000
3	General Fund--State Appropriation (FY 2005)	\$988,000
4	TOTAL APPROPRIATION	\$2,129,000

5 NEW SECTION. **Sec. 139. FOR THE MUNICIPAL RESEARCH COUNCIL**

6	City and Town Research Services Account--	
7	State Appropriation	\$3,852,000
8	County Research Services Account--State	
9	Appropriation	\$769,000
10	TOTAL APPROPRIATION	\$4,621,000

11 NEW SECTION. **Sec. 140. FOR THE OFFICE OF MINORITY AND WOMEN'S**
12 **BUSINESS ENTERPRISES**

13	OMWBE Enterprises Account--State	
14	Appropriation	\$1,990,000

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

17 (1) The office's revolving fund charges to state agencies may not
18 exceed \$1,282,000.

19 (2) During the 2003-05 biennium, the office may receive gifts,
20 grants, or endowments from public or private sources that are made from
21 time to time, in trust or otherwise, for the use and benefit of the
22 purposes of the office and spend gifts, grants, or endowments or income
23 from the public or private sources according to their terms, unless the
24 receipt of the gifts, grants, or endowments violates RCW 42.17.710.

25 (3) During fiscal year 2004, the office may raise fees in excess of
26 the fiscal growth factor.

27 NEW SECTION. **Sec. 141. FOR THE DEPARTMENT OF GENERAL**
28 **ADMINISTRATION**

29	General Fund--State Appropriation (FY 2004)	\$193,000
30	General Fund--State Appropriation (FY 2005)	\$275,000
31	General Fund--Federal Appropriation	\$3,215,000
32	General Administration Services Account--State	
33	Appropriation	\$38,086,000
34	TOTAL APPROPRIATION	\$41,769,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: Beginning on the effective date of this
3 act, the department of general administration shall not purchase or
4 lease any additional automobiles for the state motor pool unless the
5 director of general administration determines that the purchase or
6 lease is necessary for the safety of state personnel.

7 NEW SECTION. **Sec. 142. FOR THE DEPARTMENT OF INFORMATION**
8 **SERVICES**

9	General Fund--State Appropriation (FY 2004)	\$1,000,000
10	General Fund--State Appropriation (FY 2005)	\$1,000,000
11	Data Processing Revolving Account--State Appropriation . .	\$3,569,000
12	TOTAL APPROPRIATION	\$5,569,000

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

28 (1) The funding provided in this section shall be expended
29 primarily for acquiring online courses and curriculum materials that
30 are aligned with the state "essential learning requirements" and that
31 meet standards of quality. No more than ten percent of the funds
32 provided in this subsection shall be used for administrative expenses
33 of the digital learning commons.

34 (2) To the maximum extent possible, funds shall be used on
35 demonstration projects that utilize online course materials and

1 curricula that are already available. The commons may also consider
2 utilizing existing products in establishing the entire digital learning
3 commons.

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

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

13 NEW SECTION. **Sec. 143. FOR THE INSURANCE COMMISSIONER**

14	General Fund--Federal Appropriation	\$631,000
15	Insurance Commissioners Regulatory Account--State	
16	Appropriation	\$32,307,000
17	TOTAL APPROPRIATION	\$32,938,000

18 NEW SECTION. **Sec. 144. FOR THE BOARD OF ACCOUNTANCY**

19	Certified Public Accountants' Account--State	
20	Appropriation	\$1,985,000

21 The appropriation in this section is subject to the following
22 conditions and limitations: \$351,000 of the certified public
23 accountants' account appropriation is provided solely for the
24 implementation of Substitute House Bill No. 1211 (public accountancy
25 act). The board may increase fees during the 2003-05 fiscal biennium
26 in excess of the fiscal growth factor as provided in RCW 43.135.055, if
27 the increases are necessary to fully fund the cost of administering the
28 bill.

29 NEW SECTION. **Sec. 145. FOR THE FORENSIC INVESTIGATION COUNCIL**

30	Death Investigations Account--State	
31	Appropriation	\$274,000

32 The appropriation in this section is subject to the following
33 conditions and limitations: \$250,000 of the death investigation
34 account appropriation is provided solely for providing financial

1 assistance to local jurisdictions in multiple death investigations.
2 The forensic investigation council shall develop criteria for awarding
3 these funds for multiple death investigations involving an
4 unanticipated, extraordinary, and catastrophic event or those involving
5 multiple jurisdictions.

6 NEW SECTION. **Sec. 146. FOR THE HORSE RACING COMMISSION**

7 Horse Racing Commission Account--State

8 Appropriation \$4,609,000

9 NEW SECTION. **Sec. 147. FOR THE LIQUOR CONTROL BOARD**

10 General Fund--State Appropriation (FY 2004) \$1,454,000

11 General Fund--State Appropriation (FY 2005) \$1,455,000

12 Liquor Control Board Construction and Maintenance

13 Account--State Appropriation \$5,717,000

14 Liquor Revolving Account--State

15 Appropriation \$133,842,000

16 TOTAL APPROPRIATION \$142,468,000

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

19 (1) \$2,000,000 of the liquor revolving account appropriation is
20 provided solely for the costs associated with the completion of the
21 merchandising business system. Actual expenditures are limited to the
22 balance of funds remaining from the \$4,803,000 appropriation provided
23 for the merchandise business system in the 2001-03 budget.

24 (2) \$1,309,000 of the liquor revolving account appropriation is
25 provided solely for the costs associated with purchasing merchandise
26 business system software and hardware-related items, and hiring system-
27 related staff.

28 (3) As required under RCW 66.16.010, the liquor control board shall
29 add an equivalent surcharge of \$0.42 per liter on all retail sales of
30 spirits, excluding licensee, military and tribal sales, effective no
31 later than September 1, 2003. The intent of this surcharge is to raise
32 \$14,000,000 in additional revenue for the 2003-05 biennium. To the
33 extent that a lesser surcharge is sufficient to raise \$14,000,000, the
34 board may reduce the amount of the surcharge. The board shall remove

1 the surcharge once it generates \$14,000,000, but no later than June 30,
2 2005.

3 NEW SECTION. **Sec. 148. FOR THE UTILITIES AND TRANSPORTATION**
4 **COMMISSION**

5 Public Service Revolving Account--State
6 Appropriation \$25,872,000
7 Pipeline Safety Account--State
8 Appropriation \$2,768,000
9 Pipeline Safety Account--Federal
10 Appropriation \$1,041,000
11 TOTAL APPROPRIATION \$29,681,000

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

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

17 (2) Consistent with the purposes of RCW 80.01.080, the commission
18 may accept reimbursement for travel by its employees to participate in
19 multistate regulatory matters.

20 (3) \$135,000 of the public services revolving account appropriation
21 and \$15,000 of the pipeline safety account--state appropriation are
22 provided solely for the implementation of the commission's financial
23 systems project. If final approval for the project is not granted by
24 the office of financial management, the amounts provided in this
25 subsection shall lapse.

26 (4) \$200,000 of the public services revolving account appropriation
27 is provided solely for an interagency transfer to the joint legislative
28 audit and review committee for the implementation of Substitute House
29 Bill No. 1013 (UTC performance audit). If the bill is not enacted by
30 June 30, 2003, the amount provided in this subsection shall lapse.

31 NEW SECTION. **Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**
32 **Volunteer Firefighters' Relief and Pension**
33 **Administrative Account--State**
34 Appropriation \$733,000

1 NEW SECTION. **Sec. 150. FOR THE MILITARY DEPARTMENT**

2	General Fund--State Appropriation (FY 2004)	\$8,486,000
3	General Fund--State Appropriation (FY 2005)	\$8,223,000
4	General Fund--Federal Appropriation	\$72,094,000
5	General Fund--Private/Local Appropriation	\$371,000
6	Enhanced 911 Account--State Appropriation	\$33,955,000
7	Disaster Response Account--State Appropriation	\$190,000
8	Worker and Community Right to Know Fund--State	
9	Appropriation	\$290,000
10	Nisqually Earthquake Account--State	
11	Appropriation	\$13,128,000
12	Nisqually Earthquake Account--Federal	
13	Appropriation	\$48,725,000
14	TOTAL APPROPRIATION	\$185,462,000

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

17 (1) \$190,000 of the disaster response account--state appropriation
18 is provided solely to develop and implement a disaster grant management
19 system. The military department shall also submit a report quarterly
20 to the office of financial management and the legislative fiscal
21 committees detailing information on the disaster response account,
22 including: (a) The amount and type of deposits into the account; (b)
23 the current available fund balance as of the reporting date; and (c)
24 the projected fund balance at the end of the 2003-05 biennium based on
25 current revenue and expenditure patterns.

26 (2) \$10,128,000 of the Nisqually earthquake account--state
27 appropriation and \$48,725,000 of the Nisqually earthquake account--
28 federal appropriation are provided solely for response and recovery
29 costs associated with the February 28, 2001, earthquake. The military
30 department shall submit a report quarterly to the office of financial
31 management and the legislative fiscal committees detailing earthquake
32 recovery costs, including: (a) Estimates of total costs; (b)
33 incremental changes from the previous estimate; (c) actual
34 expenditures; (d) estimates of total remaining costs to be paid; and
35 (e) estimates of future payments by biennium. This information shall
36 be displayed by fund, by type of assistance, and by amount paid on
37 behalf of state agencies or local organizations. The military

1 department shall also submit a report quarterly to the office of
2 financial management and the legislative fiscal committees detailing
3 information on the Nisqually earthquake account, including: (a) The
4 amount and type of deposits into the account; (b) the current available
5 fund balance as of the reporting date; and (c) the projected fund
6 balance at the end of the 2003-05 biennium based on current revenue and
7 expenditure patterns.

8 (3) \$3,000,000 of the Nisqually earthquake account--state
9 appropriation is provided solely to cover other response and recovery
10 costs associated with the Nisqually earthquake that are not eligible
11 for federal emergency management agency reimbursement. Prior to
12 expending funds provided in this subsection, the military department
13 shall obtain prior approval of the director of financial management.
14 Prior to approving any single project of over \$1,000,000, the office of
15 financial management shall notify the fiscal committees of the
16 legislature. The military department is to submit a quarterly report
17 detailing the costs authorized under this subsection to the office of
18 financial management and the legislative fiscal committees.

19 (4) \$200,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$43,555,000 of the general fund--federal appropriation
21 are provided solely for homeland security, to be distributed as
22 follows:

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

27 (b) \$200,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$200,000 of the general fund--federal appropriation to
29 the department to conduct the terrorism consequence management program;

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

32 (d) \$500,000 of the general fund--federal appropriation to the
33 office of financial management for the citizen corps and the community
34 emergency response teams;

35 (e) \$1,384,000 of the general fund--federal appropriation to the
36 department to provide homeland security exercise and training

1 opportunities to state and local governments, and to develop, monitor,
2 coordinate, and manage statewide homeland security programs, including
3 required grant administration, monitoring, and reporting;

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

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

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

16 (i) The department shall submit a quarterly report to the office of
17 financial management and the legislative fiscal committees detailing
18 the governor's domestic security advisory group recommendations;
19 homeland security revenues and expenditures, including estimates of
20 total federal funding for Washington state; incremental changes from
21 the previous estimate, planned and actual homeland security
22 expenditures by the state and local governments with this federal
23 funding; and matching or accompanying state or local expenditures.

24 NEW SECTION. **Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS**
25 **COMMISSION**

26	General Fund--State Appropriation (FY 2004)	\$2,362,000
27	General Fund--State Appropriation (FY 2005)	\$2,436,000
28	Department of Personnel Service Account--State	
29	Appropriation	\$2,542,000
30	TOTAL APPROPRIATION	\$7,340,000

31 The appropriations in this section are subject to the following
32 conditions and limitations: \$40,000 of the general fund--state
33 appropriation for fiscal year 2005 is provided solely for the
34 implementation of Second Substitute Senate Bill No. 5012 (charter
35 schools). If the bill is not enacted by June 30, 2003, the amount
36 provided in this subsection shall lapse.

1	<u>NEW SECTION.</u> Sec. 152. FOR THE GROWTH PLANNING HEARINGS BOARD	
2	General Fund--State Appropriation (FY 2004)	\$1,536,000
3	General Fund--State Appropriation (FY 2005)	\$1,467,000
4	TOTAL APPROPRIATION	\$3,003,000

5	<u>NEW SECTION.</u> Sec. 153. FOR THE STATE CONVENTION AND TRADE CENTER	
6	State Convention and Trade Center Operating	
7	Account--State Appropriation	\$40,715,000
8	State Convention and Trade Center Account--State	
9	Appropriation	\$31,037,000
10	TOTAL APPROPRIATION	\$71,752,000

(End of part)

PART II
HUMAN SERVICES

NEW SECTION. **Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES.** (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

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

(3) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act.

(4) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage Medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP) the department may combine and transfer such Medicaid funds

1 appropriated under sections 204, 206, 208, and 209 of this act as may
 2 be necessary to finance a unified health care plan for the WMIP program
 3 enrollment. The WMIP pilot projects shall not exceed a daily
 4 enrollment of 6,000 persons during the 2003-05 biennium. The amount of
 5 funding assigned to the pilot projects from each program may not exceed
 6 the average per capita cost assumed in this act for individuals covered
 7 by that program, actuarially adjusted for the health condition of
 8 persons enrolled in the pilot, times the number of clients enrolled in
 9 the pilot. In implementing the WMIP pilot projects, the department
 10 may: (a) Withhold from calculations of "available resources" as set
 11 forth in RCW 71.24.025 a sum equal to the capitated rate for
 12 individuals enrolled in the pilots; and (b) employ capitation financing
 13 and risk-sharing arrangements in collaboration with health care service
 14 contractors licensed by the office of the insurance commissioner and
 15 qualified to participate in both the medicaid and medicare programs.
 16 The department shall conduct an evaluation of the WMIP, measuring
 17 changes in participant health outcomes, changes in patterns of service
 18 utilization, participant satisfaction, participant access to services,
 19 and the state fiscal impact.

20 NEW SECTION. **Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
 21 **SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM**

22	General Fund--State Appropriation (FY 2004)	\$231,566,000
23	General Fund--State Appropriation (FY 2005)	\$232,468,000
24	General Fund--Federal Appropriation	\$416,043,000
25	General Fund--Private/Local Appropriation	\$400,000
26	Public Safety and Education Account--	
27	State Appropriation	\$23,920,000
28	Violence Reduction and Drug Enforcement Account--	
29	State Appropriation	\$5,640,000
30	TOTAL APPROPRIATION	\$910,037,000

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

- 33 (1) \$2,271,000 of the fiscal year 2004 general fund--state
 34 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
 35 appropriation, and \$1,584,000 of the general fund--federal

1 appropriation are provided solely for the category of services titled
2 "intensive family preservation services."

3 (2) \$701,000 of the general fund--state fiscal year 2004
4 appropriation and \$701,000 of the general fund--state fiscal year 2005
5 appropriation are provided to contract for the operation of one
6 pediatric interim care facility. The facility shall provide
7 residential care for up to thirteen children through two years of age.
8 Seventy-five percent of the children served by the facility must be in
9 need of special care as a result of substance abuse by their mothers.
10 The facility shall also provide on-site training to biological,
11 adoptive, or foster parents. The facility shall provide at least three
12 months of consultation and support to parents accepting placement of
13 children from the facility. The facility may recruit new and current
14 foster and adoptive parents for infants served by the facility. The
15 department shall not require case management as a condition of the
16 contract.

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

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

32 (5) \$125,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$125,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for a foster parent retention
35 program. This program is directed at foster parents caring for
36 children who act out sexually.

1 (6) Within funding provided for the foster care and adoption
2 support programs, the department shall control reimbursement decisions
3 for foster care and adoption support cases such that the aggregate
4 average cost per case for foster care and for adoption support does not
5 exceed the amounts assumed in the projected caseload expenditures. The
6 department shall adjust adoption support benefits to account for the
7 availability of the new federal adoption support tax credit for special
8 needs children.

9 (7) \$50,000 of the fiscal year 2004 general fund--state
10 appropriation and \$50,000 of the fiscal year 2005 general fund--state
11 appropriation are provided solely for a street youth program in
12 Spokane.

13 NEW SECTION. **Sec. 203. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
14 **SERVICES--JUVENILE REHABILITATION PROGRAM**

15	General Fund--State Appropriation (FY 2004)	\$74,095,000
16	General Fund--State Appropriation (FY 2005)	\$72,697,000
17	General Fund--Federal Appropriation	\$12,062,000
18	General Fund--Private/Local Appropriation	\$1,098,000
19	Juvenile Accountability Incentive	
20	Account--Federal Appropriation	\$9,139,000
21	Violence Reduction and Drug Enforcement Account--	
22	State Appropriation	\$37,338,000
23	TOTAL APPROPRIATION	\$206,429,000

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

26 (1) \$695,000 of the violence reduction and drug enforcement account
27 appropriation is provided solely for deposit in the county criminal
28 justice assistance account for costs to the criminal justice system
29 associated with the implementation of chapter 338, Laws of 1997
30 (juvenile code revisions). The amounts provided in this subsection are
31 intended to provide funding for county adult court costs associated
32 with the implementation of chapter 338, Laws of 1997 and shall be
33 distributed in accordance with RCW 82.14.310.

34 (2) \$6,065,000 of the violence reduction and drug enforcement
35 account appropriation is provided solely for the implementation of
36 chapter 338, Laws of 1997 (juvenile code revisions). The amounts

1 provided in this subsection are intended to provide funding for county
2 impacts associated with the implementation of chapter 338, Laws of 1997
3 and shall be distributed to counties as prescribed in the current
4 consolidated juvenile services (CJS) formula.

5 (3) \$1,204,000 of the general fund--state appropriation for fiscal
6 year 2004, \$1,204,000 of the general fund--state appropriation for
7 fiscal year 2005, and \$5,262,000 of the violence reduction and drug
8 enforcement account appropriation are provided solely to implement
9 community juvenile accountability grants pursuant to chapter 338, Laws
10 of 1997 (juvenile code revisions). Funds provided in this subsection
11 may be used solely for community juvenile accountability grants,
12 administration of the grants, and evaluations of programs funded by the
13 grants.

14 (4) \$2,544,000 of the violence reduction and drug enforcement
15 account appropriation is provided solely to implement alcohol and
16 substance abuse treatment programs for locally committed offenders.
17 The juvenile rehabilitation administration shall award these moneys on
18 a competitive basis to counties that submitted a plan for the provision
19 of services approved by the division of alcohol and substance abuse.
20 The juvenile rehabilitation administration shall develop criteria for
21 evaluation of plans submitted and a timeline for awarding funding and
22 shall assist counties in creating and submitting plans for evaluation.

23 (5) \$100,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$100,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for a contract for expanded
26 services of the teamchild project.

27 (6) \$16,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$16,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for the implementation of chapter
30 167, Laws of 1999 (firearms on school property). The amounts provided
31 in this subsection are intended to provide funding for county impacts
32 associated with the implementation of chapter 167, Laws of 1999, and
33 shall be distributed to counties as prescribed in the current
34 consolidated juvenile services (CJS) formula.

35 (7) \$1,478,000 of the juvenile accountability incentive account--
36 federal appropriation is provided solely for the continued

1 implementation of a pilot program to provide for postrelease planning
2 and treatment of juvenile offenders with co-occurring disorders.

3 (8) \$16,000 of the violence reduction and drug enforcement account
4 appropriation is provided solely for the evaluation of the juvenile
5 offender co-occurring disorder pilot program implemented pursuant to
6 subsection (7) of this section.

7 (9) \$900,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$900,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for the continued implementation
10 of the juvenile violence prevention grant program established in
11 section 204, chapter 309, Laws of 1999.

12 (10) The juvenile rehabilitation administration, in consultation
13 with the juvenile court administrators, may agree on a formula to allow
14 the transfer of funds among amounts appropriated for consolidated
15 juvenile services, community juvenile accountability act grants, the
16 chemically dependent disposition alternative, and the special sex
17 offender disposition alternative. The juvenile rehabilitation
18 administration shall electronically report to the legislature on the
19 formula used and the transferred funding amounts, on a semi-annual
20 basis, by county.

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

29 (a) Develop intermediate client outcomes according to the risk
30 assessment tool (RAT) currently used by juvenile courts and in
31 coordination with the juvenile rehabilitation administration and the
32 family policy council;

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

36 (c) Track similar data as in (b) of this subsection with an

1 appropriate control group, selected in coordination with the juvenile
2 rehabilitation administration and the family policy council;

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

6 (e) Provide an initial process evaluation to the juvenile
7 rehabilitation administration and the family policy council by January
8 30, 2004, and an intermediate evaluation by December 31, 2004. The
9 court shall develop this evaluation in consultation with the juvenile
10 rehabilitation administration, the family policy council, and the
11 Washington state institute for public policy.

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

16 (13) \$308,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$875,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely to reimburse counties for local
19 juvenile disposition alternatives implemented pursuant to Senate Bill
20 No. 5903 (juvenile offender sentencing). The juvenile rehabilitation
21 administration, in consultation with the juvenile court administrators,
22 shall develop an equitable distribution formula for the funding
23 provided in this subsection. The juvenile rehabilitation
24 administration may adjust this funding level in the event that
25 utilization rates of the disposition alternatives are lower than the
26 level anticipated by the total appropriations to the juvenile
27 rehabilitation administration in this section. If the bill is not
28 enacted by June 30, 2003, the amounts provided in this subsection shall
29 lapse.

30 (14) \$1,416,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,417,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for additional research-based
33 services to the juvenile parole population, including quality control
34 efforts to ensure appropriate implementation of research-based
35 services. The juvenile rehabilitation administration shall consult
36 with the Washington state institute for public policy in deciding which
37 interventions to provide to the parole population and appropriate

1 levels of quality control. Of the total general fund--state
2 appropriation for fiscal year 2004, up to \$55,000 may be used for
3 additional suicide precaution training for staff.

4 NEW SECTION. **Sec. 204. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
5 **SERVICES--MENTAL HEALTH PROGRAM**

6 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

7 General Fund--State Appropriation (FY 2004)	\$209,818,000
8 General Fund--State Appropriation (FY 2005)	\$211,317,000
9 General Fund--Federal Appropriation	\$384,801,000
10 General Fund--Local Appropriation	\$1,970,000
11 TOTAL APPROPRIATION	\$807,906,000

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

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

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

24 (c) \$4,222,000 of the general fund--state appropriation for fiscal
25 year 2004, \$4,222,000 of the general fund--state appropriation for
26 fiscal year 2005, and \$8,444,000 of the general fund--federal
27 appropriation are provided solely for the continued operation of
28 community residential and support services for persons whose treatment
29 needs constitute substantial barriers to community placement and who no
30 longer require active psychiatric treatment at an inpatient hospital
31 level of care, no longer meet the criteria for inpatient involuntary
32 commitment, and have been discharged from a state psychiatric hospital.
33 Primary responsibility and accountability for provision of appropriate
34 community support for persons placed with these funds shall reside with
35 the mental health program and the regional support networks, with
36 partnership and active support from the alcohol and substance abuse

1 division and from the aging and disability services administration.
2 The department shall continue performance-based incentive contracts to
3 provide appropriate community support services for individuals leaving
4 the state hospitals under this subsection. The department shall first
5 seek to contract with regional support networks before offering a
6 contract to any other party. The funds appropriated in this subsection
7 shall not be considered "available resources" as defined in RCW
8 71.24.025 and are not subject to the standard allocation formula
9 applied in accordance with RCW 71.24.035(13)(a).

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

13 (e) The department is authorized to implement a new formula for
14 allocating available resources among the regional support networks.
15 The distribution formula shall use the number of persons eligible for
16 the state medical programs funded under chapter 74.09 RCW as the
17 measure of the requirement for the number of acutely mentally ill,
18 chronically mentally ill, severely emotionally disturbed children, and
19 seriously disturbed in accordance with RCW 71.24.035(13)(a). The new
20 formula shall be phased in over a period of no less than six years.
21 Furthermore, the department shall increase the medicaid capitation
22 rates which a regional support network would otherwise receive under
23 the formula by an amount sufficient to maximize available federal
24 funding, provided that the nonfederal share of the higher medicaid
25 payment rate is provided by the regional support network from local
26 funds. The department shall first provide the higher payment to those
27 RSNs whose allocations under the funding formula would otherwise
28 increase the least from the previous year's level in fiscal year 2004
29 and fiscal year 2005.

30 (f) Within funds appropriated in this subsection, the department
31 shall contract with the Clark county regional support network for
32 development and operation of a project demonstrating collaborative
33 methods for providing intensive mental health services in the school
34 setting for severely emotionally disturbed children who are medicaid
35 eligible. Project services are to be delivered by teachers and
36 teaching assistants who qualify as, or who are under the supervision
37 of, mental health professionals meeting the requirements of chapter

1 275-57 WAC. The department shall increase medicaid payments to the
2 regional support network by the amount necessary to cover the necessary
3 and allowable costs of the demonstration, not to exceed the upper
4 payment limit specified for the regional support network in the
5 department's medicaid waiver agreement with the federal government
6 after meeting all other medicaid spending requirements assumed in this
7 subsection. The regional support network shall provide the department
8 with (i) periodic reports on project service levels, methods, and
9 outcomes; and (ii) an intergovernmental transfer equal to the state
10 share of the increased medicaid payment provided for operation of this
11 project.

12 (g) The department shall assure that each regional support network
13 increases spending on direct client services in fiscal years 2004 and
14 2005 by at least the same percentage as the total state, federal, and
15 local funds allocated to the regional support network in those years
16 exceed the amounts allocated to it in fiscal year 2003.

17 (h) The department shall reduce state funding otherwise payable to
18 a regional support network in fiscal year 2005 by the amount by which
19 the regional support network's total administrative expenditures as of
20 December 31, 2002, exceed 10 percent of total funding.

21 (2) INSTITUTIONAL SERVICES

22	General Fund--State Appropriation (FY 2004)	\$94,196,000
23	General Fund--State Appropriation (FY 2005)	\$92,964,000
24	General Fund--Federal Appropriation	\$134,755,000
25	General Fund--Private/Local Appropriation	\$26,342,000
26	TOTAL APPROPRIATION	\$348,257,000

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

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

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

35 (3) CIVIL COMMITMENT

36	General Fund--State Appropriation (FY 2004)	\$28,695,000
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1 General Fund--State Appropriation (FY 2005) \$32,081,000
 2 TOTAL APPROPRIATION \$60,776,000

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

5 (a) \$1,381,000 of the general fund--state appropriation for fiscal
 6 year 2004 and \$2,090,000 of the general fund--state appropriation for
 7 fiscal year 2005 are provided solely for operational costs associated
 8 with a less restrictive step-down placement facility on McNeil Island.

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

28 (c) \$924,000 of the general fund--state appropriation for fiscal
 29 year 2004 and \$1,429,000 of the general fund--state appropriation for
 30 fiscal year 2005 are provided solely for operational costs associated
 31 with a less restrictive step-down placement facility located outside of
 32 Pierce county. In selecting a site, the department is encouraged to
 33 purchase or lease a site in an industrial area close to employment
 34 opportunities and treatment services, in an effort to reduce operating
 35 expenditures related to transportation and staff time.

36 (4) SPECIAL PROJECTS

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

1	(5) PROGRAM SUPPORT	
2	General Fund--State Appropriation (FY 2004)	\$2,863,000
3	General Fund--State Appropriation (FY 2005)	\$2,751,000
4	General Fund--Federal Appropriation	\$5,011,000
5	TOTAL APPROPRIATION	\$10,625,000

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

8 (a) \$113,000 of the general fund--state appropriation for fiscal
9 year 2004, \$125,000 of the general fund--state appropriation for fiscal
10 year 2005, and \$164,000 of the general fund--federal appropriation are
11 provided solely for the institute for public policy to evaluate the
12 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
13 297, Laws of 1998 (commitment of mentally ill persons), and chapter
14 334, Laws of 2001 (mental health performance audit).

15 (b) \$50,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$50,000 of the general fund--federal appropriation are
17 provided solely for a study of the prevalence of mental illness among
18 the state's regional support networks. The study shall examine how
19 reasonable estimates of the prevalence of mental illness relate to the
20 incidence of persons enrolled in medical assistance programs in each
21 regional support network area. In conducting this study, the
22 department shall consult with the joint legislative audit and review
23 committee, regional support networks, community mental health
24 providers, and mental health consumer representatives. The department
25 shall submit a final report on its findings to the fiscal, health care,
26 and human services committees of the legislature by November 1, 2003.

27 NEW SECTION. **Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
28 **SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM**

29	(1) COMMUNITY SERVICES	
30	General Fund--State Appropriation (FY 2004)	\$262,458,000
31	General Fund--State Appropriation (FY 2005)	\$268,826,000
32	General Fund--Federal Appropriation	\$439,489,000
33	Health Services Account--State	
34	Appropriation	\$1,038,000
35	TOTAL APPROPRIATION	\$971,811,000

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 of the
12 general fund--federal appropriation are provided solely for health care
13 benefits for home care workers with family incomes below 200 percent of
14 the federal poverty level who are employed through state contracts for
15 twenty hours per week or more. Premium payments for individual
16 provider home care workers shall be made only to the subsidized basic
17 health plan. Home care agencies may obtain coverage either through the
18 basic health plan or through an alternative plan with substantially
19 equivalent benefits.

20 (c) \$510,000 of the general fund--state appropriation for fiscal
21 year 2004, \$784,000 of the general fund--state appropriation for fiscal
22 year 2005, and \$1,225,000 of the general fund--federal appropriation
23 are provided solely for community residential and support services.
24 Funding in this subsection shall be prioritized for (i) residents of
25 residential habilitation centers who are able to be adequately cared
26 for in community settings and who choose to live in those community
27 settings; and (ii) clients without residential services who are at
28 immediate risk of institutionalization or in crisis. The department
29 shall ensure that the average cost per day for all program services
30 other than start-up costs shall not exceed \$300. The department shall
31 electronically report to the appropriate committees of the legislature,
32 within 45 days following each fiscal year quarter, the number of
33 residents moving into community settings and the actual expenditures
34 for all community services to support those residents.

35 (d) \$511,000 of the general fund--state appropriation for fiscal
36 year 2004, \$616,000 of the general fund--state appropriation for fiscal
37 year 2005, and \$1,073,000 of the general fund--federal appropriation

1 are provided solely for expanded community services for persons with
2 developmental disabilities who also have community protection issues or
3 are diverted or discharged from state psychiatric hospitals. The
4 department shall ensure that the cost per day for all program services
5 other than start-up costs shall not exceed \$300. The department shall
6 electronically report to the appropriate committees of the legislature,
7 within 45 days following each fiscal year quarter, the number of
8 persons served with these additional community services, where they
9 were residing, what kinds of services they were receiving prior to
10 placement, and the actual expenditures for all community services to
11 support these clients.

12 (e) The department may transfer funding provided in this subsection
13 to meet the purposes of subsection (2) of this section to the extent
14 that fewer residents of residential habilitation centers choose to move
15 to community placements than was assumed in this appropriation.

16 (f) \$3,290,000 of the general fund--state appropriation for fiscal
17 year 2004, \$4,773,000 of the general fund--state appropriation for
18 fiscal year 2005, and \$7,504,000 of the general fund--federal
19 appropriation are provided solely for the purpose of providing a wage
20 increase effective October 1, 2003, for individual home care workers
21 providing state-funded services. The amounts in this subsection also
22 include the funds needed for the employer share of unemployment and
23 social security taxes on the amount of the increase.

24 (g) \$355,000 of the general fund--state appropriation for fiscal
25 year 2004, \$517,000 of the general fund--state appropriation for fiscal
26 year 2005, and \$848,000 of the general fund--federal appropriation are
27 provided solely to increase payments to agency home care providers from
28 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
29 amounts in this subsection shall be used to increase wages for direct
30 care workers by 75 cents per hour. The amounts in this subsection also
31 include the funds needed for the employer share of unemployment and
32 social security taxes on the amount of the increase.

33 (h) The department, in consultation with representatives of
34 community residential service providers and clients served in
35 residential settings, shall review current rules and policies regarding
36 residential services to identify rules that are redundant or
37 unnecessary. The department may modify or repeal rules that are

1 identified as redundant or unnecessary. The department shall report
2 electronically on any rule changes to the appropriate committees of the
3 legislature by July 1, 2004.

4 (2) INSTITUTIONAL SERVICES

5	General Fund--State Appropriation (FY 2004)	\$71,862,000
6	General Fund--State Appropriation (FY 2005)	\$70,926,000
7	General Fund--Federal Appropriation	\$144,682,000
8	General Fund--Private/Local Appropriation	\$11,228,000
9	TOTAL APPROPRIATION	\$298,698,000

10 The appropriations in this subsection are subject to the following
11 conditions and limitations: The department may transfer funding
12 provided in this subsection to meet the purposes of subsection (1) of
13 this section to the extent that more residents of residential
14 habilitation centers choose to move to community placements than was
15 assumed in this appropriation.

16 (3) PROGRAM SUPPORT

17	General Fund--State Appropriation (FY 2004)	\$2,245,000
18	General Fund--State Appropriation (FY 2005)	\$2,245,000
19	General Fund--Federal Appropriation	\$2,965,000
20	Telecommunications Devices for the Hearing and	
21	Speech Impaired Account Appropriation	\$1,782,000
22	TOTAL APPROPRIATION	\$9,237,000

23 (4) SPECIAL PROJECTS

24	General Fund--Federal Appropriation	\$11,993,000
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25 **NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
26 **SERVICES--AGING AND ADULT SERVICES PROGRAM**

27	General Fund--State Appropriation (FY 2004)	\$557,645,000
28	General Fund--State Appropriation (FY 2005)	\$570,669,000
29	General Fund--Federal Appropriation	\$1,162,511,000
30	General Fund--Private/Local Appropriation	\$18,644,000
31	Health Services Account--State	
32	Appropriation	\$4,888,000
33	TOTAL APPROPRIATION	\$2,314,357,000

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

1 (1) The entire health services account appropriation, \$1,476,000 of
2 the general fund--state appropriation for fiscal year 2004, \$1,476,000
3 of the general fund--state appropriation for fiscal year 2005, and
4 \$7,284,000 of the general fund--federal appropriation are provided
5 solely for health care benefits for home care workers who are employed
6 through state contracts for at least twenty hours per week. Premium
7 payments for individual provider home care workers shall be made only
8 to the subsidized basic health plan, and only for persons with incomes
9 below 200 percent of the federal poverty level. Home care agencies may
10 obtain coverage either through the basic health plan or through an
11 alternative plan with substantially equivalent benefits.

12 (2) \$1,768,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,768,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for operation of the volunteer
15 chore services program.

16 (3) For purposes of implementing chapter 74.46 RCW, the weighted
17 average nursing facility payment rate shall be no more than \$144.54 for
18 fiscal year 2004, and no more than \$147.43 for fiscal year 2005. For
19 all facilities, the direct care, therapy care, support services, and
20 operations component rates established in accordance with chapter 74.46
21 RCW shall be adjusted for economic trends and conditions by 3.0 percent
22 effective July 1, 2003.

23 (4) In accordance with chapter 74.46 RCW, the department shall
24 issue certificates of capital authorization that result in up to \$32
25 million of increased asset value completed and ready for occupancy in
26 fiscal year 2004; up to \$32 million of increased asset value completed
27 and ready for occupancy in fiscal year 2005; and up to \$32 million of
28 increased asset value completed and ready for occupancy in fiscal year
29 2006.

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

33 (6) In accordance with chapter 74.39 RCW, the department may
34 implement a medicaid waiver program for persons who do not qualify for
35 such services as categorically needy, subject to federal approval and
36 the following conditions and limitations:

1 (a) The waiver program shall include coverage of care in community
2 residential facilities. Enrollment in the waiver shall not exceed 600
3 persons by the end of fiscal year 2004, nor 600 persons by the end of
4 fiscal year 2005.

5 (b) The department shall identify the number of medically needy
6 nursing home residents, and enrollment and expenditures on the
7 medically needy waiver, on monthly management reports.

8 (c) The department shall track and electronically report to health
9 care and fiscal committees of the legislature by November 15, 2004, on
10 the types of long-term care support a sample of waiver participants
11 were receiving prior to their enrollment in the waiver, how those
12 services were being paid for, and an assessment of their adequacy.

13 (7) \$118,000 of the general fund--state appropriation for fiscal
14 year 2004, \$118,000 of the general fund--state appropriation for fiscal
15 year 2005, and \$236,000 of the general fund--federal appropriation are
16 provided solely for the department to assess at least annually each
17 elderly resident residing in residential habilitation centers and
18 state-operated living alternatives to determine if the resident can be
19 more appropriately served in a less restrictive setting.

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

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

28 (c) The appropriate interdisciplinary team shall conduct the
29 evaluation.

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

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

34 (8) Within funds appropriated in this section, the department may
35 assess nursing facility residents with Alzheimer's disease or related
36 dementias to determine whether such residents can be more appropriately
37 served in licensed boarding home facilities that specialize in caring

1 for such conditions. The department may, based upon the assessments
2 and within existing funds, pay dementia pilot project rates on behalf
3 of up to 200 additional persons with Alzheimer's disease or related
4 dementias who move from nursing facilities to specialized boarding
5 homes.

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

12 (10) \$7,102,000 of the general fund--state appropriation for fiscal
13 year 2004, \$10,065,000 of the general fund--state appropriation for
14 fiscal year 2005, and \$17,029,000 of the general fund--federal
15 appropriation are provided solely for the purpose of providing a wage
16 increase effective October 1, 2003, for individual home care workers
17 providing state-funded services. The amounts in this subsection also
18 include the funds needed for the employer share of unemployment and
19 social security taxes on the amount of the increase.

20 (11) \$2,219,000 of the general fund--state appropriation for fiscal
21 year 2004, \$3,192,000 of the general fund--state appropriation for
22 fiscal year 2005, and \$5,263,000 of the general fund--federal
23 appropriation are provided solely to increase payments to agency home
24 care providers from \$13.44 per hour to \$14.27 per hour effective
25 October 1, 2003. The amounts in this subsection shall be used to
26 increase wages for direct care workers by 75 cents per hour. The
27 amounts in this subsection also include the funds needed for the
28 employer share of unemployment and social security taxes on the amount
29 of the increase.

30 NEW SECTION. **Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
31 **SERVICES--ECONOMIC SERVICES PROGRAM**

32	General Fund--State Appropriation (FY 2004)	\$408,184,000
33	General Fund--State Appropriation (FY 2005)	\$407,363,000
34	General Fund--Federal Appropriation	\$1,209,758,000
35	General Fund--Private/Local Appropriation	\$33,880,000
36	TOTAL APPROPRIATION	\$2,059,185,000

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

3 (1) \$273,652,000 of the general fund--state appropriation for
4 fiscal year 2004, \$273,695,000 of the general fund--state appropriation
5 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal
6 appropriation are provided solely for all components of the WorkFirst
7 program. Within the amounts provided for the WorkFirst program, the
8 department shall:

9 (a) Continue to implement WorkFirst program improvements that are
10 designed to achieve progress against outcome measures specified in RCW
11 74.08A.410. Valid outcome measures of job retention and wage
12 progression shall be developed and reported quarterly to appropriate
13 fiscal and policy committees of the legislature for families who leave
14 assistance, measured after 12 months, 24 months, and 36 months. The
15 department shall also report the percentage of families who have
16 returned to temporary assistance for needy families after 12 months, 24
17 months, and 36 months;

18 (b) Submit a report by October 1, 2003, to the fiscal committees of
19 the legislature containing a spending plan for the WorkFirst program.
20 The plan shall identify how spending levels in the 2003-2005 biennium
21 will be adjusted to stay within available federal grant levels and the
22 appropriated state-fund levels; and

23 (c) Include an urban adjustment factor for child care providers in
24 urban areas of region 1.

25 (2) \$45,639,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$39,335,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for cash assistance and other
28 services to recipients in the general assistance--unemployable program.
29 Within these amounts, the department may expend funds for services that
30 assist recipients to reduce their dependence on public assistance,
31 provided that expenditures for these services and cash assistance do
32 not exceed the funds provided.

33 (3) \$1,436,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$1,436,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided for the department to assist in
36 naturalization efforts for legal aliens whose eligibility for federal

1 supplemental security income has expired. The department shall use
 2 funding previously spent on general assistance employment supports for
 3 these naturalization services.

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

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

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

20 NEW SECTION. **Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
 21 **SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM**

22	General Fund--State Appropriation (FY 2004)	\$40,320,000
23	General Fund--State Appropriation (FY 2005)	\$40,320,000
24	General Fund--Federal Appropriation	\$90,632,000
25	General Fund--Private/Local Appropriation	\$630,000
26	Public Safety and Education Account--State	
27	Appropriation	\$7,160,000
28	Criminal Justice Treatment Account--State	
29	Appropriation	\$8,950,000
30	Violence Reduction and Drug Enforcement Account--	
31	State Appropriation	\$44,342,000
32	TOTAL APPROPRIATION	\$232,354,000

33 The appropriations in this section are subject to the following
 34 conditions and limitations: \$966,197 of the general fund--state
 35 appropriation for fiscal year 2004 and \$966,197 of the general fund--
 36 state appropriation for fiscal year 2005 are provided solely for the

1 parent child assistance program. The department shall contract with
2 the University of Washington and community-based providers in Spokane
3 and Yakima for the provision of this program. For all contractors,
4 indirect charges for administering the program shall not exceed ten
5 percent of the total contract amount.

6 NEW SECTION. **Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
7 **SERVICES--MEDICAL ASSISTANCE PROGRAM**

8	General Fund--State Appropriation (FY 2004)	\$1,184,774,000
9	General Fund--State Appropriation (FY 2005)	\$1,265,423,000
10	General Fund--Federal Appropriation	\$3,764,258,000
11	General Fund--Private/Local Appropriation	\$262,736,000
12	Emergency Medical Services and Trauma Care Systems	
13	Trust Account--State Appropriation	\$23,700,000
14	Health Services Account--State Appropriation	\$756,012,000
15	TOTAL APPROPRIATION	\$7,256,903,000

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

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

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

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

31 (4) \$999,000 of the health services account appropriation for
32 fiscal year 2004, \$1,519,000 of the health services account
33 appropriation for fiscal year 2005, and \$2,142,000 of the general
34 fund--federal appropriation are provided solely for implementation of
35 a "ticket to work" medicaid buy-in program for working persons with
36 disabilities, operated in accordance with the following conditions:

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

3 (b) Participants shall participate in the cost of the program by
4 paying (i) a monthly enrollment fee equal to fifty percent of any
5 unearned income in excess of the medicaid medically needy standard; and
6 (ii) a monthly premium equal to 5 percent of all unearned income, plus
7 5 percent of all earned income after disregarding the first sixty-five
8 dollars of monthly earnings, and half the remainder;

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

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

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

18 (6) Sufficient funds are appropriated in this section for the
19 department to provide an adult dental benefit equivalent to
20 approximately 75 percent of the dental benefit provided during the
21 2001-03 biennium. The department shall establish the scope of services
22 to be provided within the available funds in consultation with dental
23 providers and consumer representatives.

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

27 (8) In accordance with RCW 74.46.625, \$52,057,000 of the fiscal
28 year 2004 health services account appropriation, \$35,016,000 of the
29 fiscal year 2005 health services account appropriation, and \$87,074,000
30 of the general fund--federal appropriation are provided solely for
31 supplemental payments to nursing homes operated by rural public
32 hospital districts. The payments shall be conditioned upon (a) a
33 contractual commitment by the association of public hospital districts
34 and participating rural public hospital districts to make an
35 intergovernmental transfer to the state treasurer, for deposit into the
36 health services account, equal to at least 94.5 percent of the
37 supplemental payments; (b) a contractual commitment by the association

1 of public hospital districts to return at least 5.5 percent of the
2 supplemental payments to the participating rural hospital districts;
3 and (c) a contractual commitment by the participating districts to not
4 allow expenditures covered by the supplemental payments to be used for
5 medicaid nursing home rate setting. A hospital which does not
6 participate in the supplemental payment intergovernmental transfer
7 budgeted for fiscal year 2003 shall not be eligible to participate in
8 the supplemental payments budgeted in this subsection for fiscal years
9 2004 and 2005. The participating districts shall retain no more than
10 a total of \$9,600,000 for the 2003-05 biennium.

11 (9) \$14,616,000 of the health services account appropriation for
12 fiscal year 2004, \$12,394,000 of the health services account
13 appropriation for fiscal year 2005, and \$27,010,000 of the general
14 fund--federal appropriation are provided solely for additional
15 disproportionate share and medicare upper payment limit payments to
16 public hospital districts and to the state's teaching hospitals. The
17 payments shall be conditioned upon a contractual commitment by the
18 participating public hospitals to make an intergovernmental transfer to
19 the health services account equal to at least 91 percent of the
20 additional payments. The state's teaching hospitals shall retain at
21 least 28 percent of the amounts retained by hospitals under these
22 programs, or the maximum allowable under the teaching hospitals' limits
23 as established under federal rule, whichever is less.

24 (10) \$3,100,000 of the health services account appropriation,
25 \$8,416,000 of the general fund--local appropriation, and \$11,516,000 of
26 the general fund--federal appropriation are provided solely for grants
27 to rural hospitals. The department shall distribute the funds under a
28 formula that provides a relatively larger share of the available
29 funding to hospitals that (a) serve a disproportionate share of low-
30 income and medically indigent patients and (b) have relatively smaller
31 net financial margins, to the extent allowed by the federal medicaid
32 program.

33 (11) \$26,080,000 of the health services account appropriation and
34 \$26,080,000 of the general fund--federal appropriation are provided
35 solely for grants to nonrural hospitals. The department shall
36 distribute the funds under a formula that provides a relatively larger
37 share of the available funding to hospitals that (a) serve a

1 disproportionate share of low-income and medically indigent patients
2 and (b) have relatively smaller net financial margins, to the extent
3 allowed by the federal medicaid program.

4 (12) The department shall separately track the total amount of any
5 rebates obtained from drug manufacturers that are supplemental to the
6 amounts required by federal law. The department shall report to the
7 fiscal committees of the house of representatives and senate by January
8 15, 2004, and by January 15, 2005, on supplemental rebates negotiated
9 to date, and their projected value through the end of the current and
10 the next succeeding fiscal year. The report shall include options for
11 using any rebate amounts in excess of those assumed in this budget to
12 increase pharmacy reimbursement rates.

13 (13) \$156,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$1,403,000 of the general fund--federal appropriation are
15 provided solely for a study to assess alternatives for replacing the
16 existing medicaid management information system. The department shall
17 report to the information services board and to the fiscal committees
18 of the legislature by December 1, 2003, on the anticipated costs and
19 benefits of the major alternative approaches.

20 (14) The department shall implement a combination of cost
21 containment and utilization strategies sufficient to reduce general
22 fund--state costs for durable medical equipment and supplies in fiscal
23 year 2005 by approximately 5 percent below the level projected for
24 fiscal year 2005 in the February 2003 forecast. In designing
25 strategies, the primary strategy considered shall be selective or
26 direct contracting with durable medical equipment and supplies vendors
27 or manufacturers.

28 (15) The department shall, within available resources, design and
29 implement a medical care services care management pilot project for
30 clients receiving general assistance benefits. The pilot project shall
31 be operated in at least two of the counties with the highest
32 concentration of general assistance clients, and may use a full or
33 partial capitation model. In designing the project, the department
34 shall consult with the mental health division and its managed care
35 contractors that include community and migrant health centers in their
36 provider network. The pilot project shall be designed to maximize care

1 coordination, high-risk medical management, and chronic care management
2 to achieve better health outcomes. The pilot project shall begin
3 enrollment on July 1, 2004.

4 (16) Within available resources and to the extent possible, the
5 department shall evaluate and pilot a nurse consultant services program
6 to assist fee-for-service clients in accessing medical information,
7 with the goal of reducing administrative burdens on physicians and
8 unnecessary emergency room utilization.

9 (17) The department shall include in any pending medicaid reform
10 section 1115 waiver application, or in any existing section 1115
11 waiver, a request for authorization to provide optional medicaid
12 services that have been eliminated in this act to American Indian and
13 Alaska Native persons as defined in relevant federal law who are
14 eligible for medicaid only to the extent that such services are
15 provided through the American Indian health system and are financed
16 with one hundred percent federal medicaid matching funds.

17 (18) The department shall establish managed care rates within
18 available funds, giving specific consideration to each plan's
19 programmatic and financial performance, and ability to assure access in
20 under-served areas.

21 (19) The department of social and health services, the office of
22 the superintendent of public instruction, and the department of health
23 should jointly identify opportunities for early intervention and
24 prevention activities that can help prevent disease and reduce oral
25 health issues among children. Disease prevention among infants at the
26 age of one year and among children entering the K-12 education system
27 provides cost-effective ways to avoid higher health care spending later
28 in life.

29 (20) The department shall secure a federal waiver, effective no
30 later than September 1, 2003, which will enable it to charge co-
31 premiums for medical and dental coverage of children whose family
32 incomes exceed the federal poverty level.

33 (21) For purposes of RCW 74.09.800(2), \$9,549,000 of the general
34 fund--state appropriation for fiscal year 2004, \$10,779,000 of the
35 general fund--state appropriation for fiscal year 2005, and \$37,753,000
36 of the general fund--federal appropriation are provided solely to
37 provide prenatal care services to low-income women who are not eligible

1 to receive such services under the medical assistance program, Title
2 XIX of the federal social security act. If the department is unable to
3 secure federal matching funds under Title XXI of the social security
4 act, the department shall take all actions necessary to manage the
5 program within these appropriated levels.

6 NEW SECTION. **Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
7 **SERVICES--VOCATIONAL REHABILITATION PROGRAM**

8	General Fund--State Appropriation (FY 2004)	\$10,180,000
9	General Fund--State Appropriation (FY 2005)	\$10,202,000
10	General Fund--Federal Appropriation	\$85,803,000
11	General Fund--Local Appropriation	\$440,000
12	TOTAL APPROPRIATION	\$106,625,000

13 NEW SECTION. **Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
14 **SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

15	General Fund--State Appropriation (FY 2004)	\$35,926,000
16	General Fund--State Appropriation (FY 2005)	\$25,968,000
17	General Fund--Federal Appropriation	\$45,752,000
18	General Fund--Private/Local Appropriation	\$810,000
19	TOTAL APPROPRIATION	\$108,456,000

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

22 (1) \$467,000 of the general fund--state appropriation for fiscal
23 year 2004, \$769,000 of the general fund--state appropriation for fiscal
24 year 2005, and \$1,236,000 of the general fund--federal appropriation
25 are provided solely for transition costs associated with the downsizing
26 effort at Fircrest school. The department shall organize the
27 downsizing effort so as to minimize disruption to clients, employees,
28 and the developmental disabilities program. The employees responsible
29 for the downsizing effort shall report to the assistant secretary of
30 the aging and disability services administration. Within the funds
31 provided in this subsection, the department shall:

32 (a) Determine appropriate ways to maximize federal reimbursement
33 during the downsizing process;

34 (b) Meet and confer with representatives of affected employees on

1 how to assist employees who need help to relocate to other state jobs
2 or to transition to private sector positions;

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

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

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

16 (2) \$10,000,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely for one-time expenditures needed to meet
18 the federally required level for state supplemental payments (SSP).
19 The department shall transfer appropriate portions of this amount to
20 other programs within the agency to accomplish this purpose. The
21 department shall not initiate new services with this funding that will
22 cause total future SSP expenditures to exceed the required annual
23 maintenance-of-effort level.

24 NEW SECTION. **Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
25 **SERVICES--PAYMENTS TO OTHER AGENCIES PROGRAM**

26	General Fund--State Appropriation (FY 2004)	\$42,011,000
27	General Fund--State Appropriation (FY 2005)	\$42,011,000
28	General Fund--Federal Appropriation	\$41,994,000
29	TOTAL APPROPRIATION	\$126,016,000

30 NEW SECTION. **Sec. 213. FOR THE STATE HEALTH CARE AUTHORITY**

31	State Health Care Authority Administrative	
32	Account--State Appropriation	\$17,665,000
33	Health Services Account--State Appropriation	\$415,459,000
34	General Fund--Federal Appropriation	\$3,307,000
35	Medical Aid Account--State Appropriation	\$128,000

1 TOTAL APPROPRIATION \$436,559,000

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

4 (1) \$6,000,000 of the health services account--state appropriation
5 is provided solely to increase the number of persons not eligible for
6 medicaid receiving dental care from nonprofit community clinics, and
7 for interpreter services to support dental and medical services for
8 persons for whom interpreters are not available from any other source.

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

20 (3) Within funds appropriated in this section and sections 205 and
21 206 of this act, the health care authority shall continue to provide an
22 enhanced basic health plan subsidy for foster parents licensed under
23 chapter 74.15 RCW and workers in state-funded home care programs.
24 Under this enhanced subsidy option, foster parents and home care
25 workers with family incomes below 200 percent of the federal poverty
26 level shall be allowed to enroll in the basic health plan at the
27 minimum premium amount charged to enrollees with incomes below sixty-
28 five percent of the federal poverty level.

29 (4) The health care authority shall require organizations and
30 individuals which are paid to deliver basic health plan services and
31 which choose to sponsor enrollment in the subsidized basic health plan
32 to pay 133 percent of the premium amount which would otherwise be due
33 from the sponsored enrollees.

34 (5) The administrator shall take at least the following actions to
35 assure that persons participating in the basic health plan are eligible
36 for the level of assistance they receive: (a) Require submission of
37 income tax returns, and recent pay history, from all applicants; (b)

1 check employment security payroll records at least once every twelve
2 months on all enrollees; (c) require enrollees whose income as
3 indicated by payroll records exceeds that upon which their subsidy is
4 based to document their current income as a condition of continued
5 eligibility; (d) require enrollees for whom employment security payroll
6 records cannot be obtained to document their current income at least
7 once every six months; (e) not reduce gross family income for self-
8 employed persons by noncash-flow expenses such as, but not limited to,
9 depreciation, amortization, and home office deductions, as defined by
10 the United States internal revenue service; and (f) pursue repayment
11 and civil penalties from persons who have received excessive subsidies,
12 as provided in RCW 70.47.060(9).

13 (6) To decrease administrative burdens for providers and plans
14 participating in state purchased health care programs, the
15 administrator, the assistant secretary for the medical assistance
16 administration of the department of social and health services, and the
17 director of the department of labor and industries, in collaboration
18 with health carriers, health care providers, and the office of the
19 insurance commissioner shall, within available resources:

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

23 (b) Improve the capacity for electronic billing and claims
24 submission and provide electronic access to eligibility, benefits, and
25 exclusion information;

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

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

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

1 NEW SECTION. **Sec. 214. FOR THE HUMAN RIGHTS COMMISSION**

2	General Fund--State Appropriation (FY 2004)	\$2,368,000
3	General Fund--State Appropriation (FY 2005)	\$2,407,000
4	General Fund--Federal Appropriation	\$1,509,000
5	General Fund--Private/Local Appropriation	\$100,000
6	TOTAL APPROPRIATION	\$6,384,000

7 NEW SECTION. **Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE**
8 **APPEALS**

9	Worker and Community Right-to-Know Account--State	
10	Appropriation	\$20,000
11	Accident Account--State Appropriation	\$15,065,000
12	Medical Aid Account--State Appropriation	\$15,064,000
13	TOTAL APPROPRIATION	\$30,149,000

14 NEW SECTION. **Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING**
15 **COMMISSION**

16	Municipal Criminal Justice Assistance Account--	
17	Local Appropriation	\$460,000
18	Death Investigations Account--State	
19	Appropriation	\$148,000
20	Public Safety and Education Account--State	
21	Appropriation	\$18,078,000
22	TOTAL APPROPRIATION	\$18,686,000

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

25 (1) \$124,000 of the public safety and education account
26 appropriation is provided solely to allow the Washington association of
27 sheriffs and police chiefs to increase the technical and training
28 support provided to the local criminal justice agencies on the new
29 incident-based reporting system and the national incident-based
30 reporting system.

31 (2) \$136,000 of the public safety and education account
32 appropriation is provided solely to allow the Washington association of
33 prosecuting attorneys to enhance the training provided to criminal
34 justice personnel.

1 (3) \$65,000 of the public safety and education account
2 appropriation is provided solely for regionalized training programs for
3 school district and local law enforcement officials on school safety
4 issues.

5 (4) \$250,000 of the public safety and education account
6 appropriation is provided solely to the Washington association of
7 sheriffs and police chiefs for staffing and support of a web site to
8 provide information about sex offenders.

9 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF LABOR AND**
10 **INDUSTRIES**

11	General Fund--State Appropriation (FY 2004)	\$5,863,000
12	General Fund--State Appropriation (FY 2005)	\$5,860,000
13	Public Safety and Education Account--State	
14	Appropriation	\$22,391,000
15	Public Safety and Education Account--Federal	
16	Appropriation	\$8,462,000
17	Asbestos Account--State Appropriation	\$693,000
18	Electrical License Account--State	
19	Appropriation	\$28,966,000
20	Farm Labor Revolving Account--Private/Local	
21	Appropriation	\$28,000
22	Worker and Community Right-to-Know Account--State	
23	Appropriation	\$2,544,000
24	Public Works Administration Account--State	
25	Appropriation	\$2,411,000
26	Accident Account--State Appropriation	\$187,843,000
27	Accident Account--Federal Appropriation	\$13,396,000
28	Medical Aid Account--State Appropriation	\$186,724,000
29	Medical Aid Account--Federal Appropriation	\$2,960,000
30	Plumbing Certificate Account--State	
31	Appropriation	\$1,451,000
32	Pressure Systems Safety Account--State	
33	Appropriation	\$2,807,000
34	TOTAL APPROPRIATION	\$472,399,000

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

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

12 (2) \$90,000 of the electrical license account--state appropriation
 13 and \$206,000 of the plumbing certificate account--state appropriation
 14 are provided solely to implement Engrossed Substitute Senate Bill No.
 15 5713 (electrical contractors). If the bill is not enacted by June 30,
 16 2003, the amounts provided in this subsection shall lapse.

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

23 NEW SECTION. **Sec. 218. FOR THE INDETERMINATE SENTENCE REVIEW**
 24 **BOARD**

25	General Fund--State Appropriation (FY 2004)	\$980,000
26	General Fund--State Appropriation (FY 2005)	\$980,000
27	TOTAL APPROPRIATION	\$1,960,000

28 NEW SECTION. **Sec. 219. FOR THE DEPARTMENT OF VETERANS AFFAIRS**

29 (1) HEADQUARTERS

30	General Fund--State Appropriation (FY 2004)	\$1,527,000
31	General Fund--State Appropriation (FY 2005)	\$1,528,000
32	Charitable, Educational, Penal, and Reformatory	
33	Institutions Account--State	
34	Appropriation	\$11,000
35	TOTAL APPROPRIATION	\$3,066,000

1	(2) FIELD SERVICES	
2	General Fund--State Appropriation (FY 2004)	\$2,579,000
3	General Fund--State Appropriation (FY 2005)	\$2,579,000
4	General Fund--Federal Appropriation	\$309,000
5	General Fund--Private/Local Appropriation	\$1,668,000
6	TOTAL APPROPRIATION	\$7,135,000

7	(3) INSTITUTIONAL SERVICES	
8	General Fund--State Appropriation (FY 2004)	\$7,473,000
9	General Fund--State Appropriation (FY 2005)	\$5,890,000
10	General Fund--Federal Appropriation	\$27,207,000
11	General Fund--Private/Local Appropriation	\$27,822,000
12	TOTAL APPROPRIATION	\$68,392,000

13	<u>NEW SECTION.</u> Sec. 220. FOR THE HOME CARE QUALITY AUTHORITY	
14	General Fund--State Appropriation (FY 2004)	\$412,000
15	General Fund--State Appropriation (FY 2005)	\$259,000
16	TOTAL APPROPRIATION	\$671,000

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

19 (1) \$150,000 of the general fund--state appropriation for fiscal
20 year 2004 is provided solely for the design and development of the home
21 care provider registry mandated by Initiative Measure No. 775.

22 (2) Pursuant to RCW 74.39A.300(1), the legislature rejects the
23 collective bargaining agreement entered into by the home care quality
24 authority and the exclusive bargaining representative of individual
25 providers under chapter 74.39A RCW (Initiative Measure No. 775).

26	<u>NEW SECTION.</u> Sec. 221. FOR THE DEPARTMENT OF HEALTH	
27	General Fund--State Appropriation (FY 2004)	\$58,143,000
28	General Fund--State Appropriation (FY 2005)	\$60,224,000
29	Health Services Account--State Appropriation	\$34,289,000
30	General Fund--Federal Appropriation	\$348,897,000
31	General Fund--Private/Local Appropriation	\$93,601,000
32	Hospital Commission Account--State	
33	Appropriation	\$2,490,000
34	Health Professions Account--State	

1	Appropriation	\$40,097,000
2	Emergency Medical Services and Trauma Care Systems	
3	Trust Account--State Appropriation	\$12,558,000
4	Safe Drinking Water Account--State	
5	Appropriation	\$2,728,000
6	Drinking Water Assistance Account--Federal	
7	Appropriation	\$13,498,000
8	Waterworks Operator Certification--State	
9	Appropriation	\$633,000
10	Water Quality Account--State Appropriation	\$3,359,000
11	Accident Account--State Appropriation	\$258,000
12	Medical Aid Account--State Appropriation	\$46,000
13	State Toxics Control Account--State	
14	Appropriation	\$2,761,000
15	Medical Test Site Licensure Account--State	
16	Appropriation	\$1,718,000
17	Youth Tobacco Prevention Account--State	
18	Appropriation	\$1,806,000
19	Tobacco Prevention and Control Account--State	
20	Appropriation	\$52,510,000
21	TOTAL APPROPRIATION	\$729,616,000

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

24 (1) The department or any successor agency is authorized to raise
25 existing fees charged for health care assistants, commercial shellfish
26 paralytic shellfish poisoning, commercial shellfish licenses, and
27 newborn screening programs, in excess of the fiscal growth factor
28 established by Initiative Measure No. 601, if necessary, to meet the
29 actual costs of conducting business and the appropriation levels in
30 this section.

31 (2) \$1,337,000 of the general fund--state fiscal year 2004
32 appropriation and \$1,338,000 of the general fund--state fiscal year
33 2005 appropriation are provided solely for the implementation of the
34 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
35 DOH-03, and DOH-04.

36 (3) The department of health shall not initiate any services that
37 will require expenditure of state general fund moneys unless expressly

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

15 (4) \$21,650,000 of the health services account--state appropriation
16 is provided solely for the state's program of universal access to
17 essential childhood vaccines. The department shall utilize all
18 available federal funding before expenditure of these funds.

19 (5) \$2,984,000 of the general fund--local appropriation is provided
20 solely for development and implementation of an internet-based system
21 for preparing and retrieving death certificates as provided in
22 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
23 vital records).

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

32 (7) \$92,000 of the general fund--state appropriation for fiscal
33 year 2004, \$19,000 of the general fund--state appropriation for fiscal
34 year 2005, and \$987,000 of the general fund--local appropriation are
35 provided solely for implementation of Substitute House Bill No. 1338
36 (municipal water rights). If Substitute House Bill No. 1338 is not

1 enacted by June 30, 2003, the amounts provided in this subsection shall
2 lapse.

3 NEW SECTION. **Sec. 222. FOR THE DEPARTMENT OF CORRECTIONS**

4 (1) ADMINISTRATION AND SUPPORT SERVICES

5	General Fund--State Appropriation (FY 2004)	\$38,317,000
6	General Fund--State Appropriation (FY 2005)	\$35,473,000
7	Public Safety and Education Account--State	
8	Appropriation	\$3,657,000
9	Violence Reduction and Drug Enforcement	
10	Account Appropriation	\$26,000
11	TOTAL APPROPRIATION	\$77,473,000

12 The appropriations in this subsection are subject to the following
13 conditions and limitations: \$3,250,000 of the general fund--state
14 appropriation for fiscal year 2004 is provided solely for the
15 continuation of phase two of the department's offender-based tracking
16 system replacement project. This amount is conditioned on the
17 department satisfying the requirements of section 902 of this act.

18 (2) CORRECTIONAL OPERATIONS

19	General Fund--State Appropriation (FY 2004)	\$441,122,000
20	General Fund--State Appropriation (FY 2005)	\$449,520,000
21	General Fund--Federal Appropriation	\$8,746,000
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation	\$3,008,000
24	TOTAL APPROPRIATION	\$902,396,000

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

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

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

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

6 (d) During the 2003-05 biennium, when contracts are established or
7 renewed for offender pay phone and other telephone services provided to
8 inmates, the department shall select the contractor or contractors
9 primarily based on the following factors: (i) The lowest rate charged
10 to both the inmate and the person paying for the telephone call; and
11 (ii) the lowest commission rates paid to the department, while
12 providing reasonable compensation to cover the costs of the department
13 to provide the telephone services to inmates and provide sufficient
14 revenues for the activities funded from the institutional welfare
15 betterment account.

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

24 (3) COMMUNITY SUPERVISION

25	General Fund--State Appropriation (FY 2004)	\$73,952,000
26	General Fund--State Appropriation (FY 2005)	\$74,200,000
27	Public Safety and Education	
28	Account--State Appropriation	\$15,492,000
29	TOTAL APPROPRIATION	\$163,644,000

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

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

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

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

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

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

19 (iii) The pilot project shall test the system using sex or
20 kidnapping offenders under the jurisdiction of the department of
21 corrections and persons civilly committed under chapter 71.09 RCW under
22 a variety of supervision circumstances. Offenders included in the
23 pilot project shall be offenders who have been classified as level
24 three offenders by the end of sentence review committee and over whom
25 the department of corrections has authority to establish conditions of
26 supervision or persons who have been ordered to be electronically
27 monitored by the court in a proceeding under chapter 71.09 RCW and who
28 have been classified as level three offenders by the end of sentence
29 review committee.

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

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

1 (A) The availability of the technology, including a description of
2 the system used and a discussion of the various types of global
3 positioning system-based monitoring available and appropriate for a sex
4 offender population;

5 (B) Any geographic or weather-related limitations posed by the
6 technology;

7 (C) The reliability, including the false alarm rate of the
8 technology;

9 (D) Any training requirements for department of corrections staff
10 or supervised persons;

11 (E) Any distinctions in effectiveness or feasibility for different
12 supervision populations;

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

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

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

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

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

24 (4) CORRECTIONAL INDUSTRIES

25	General Fund--State Appropriation (FY 2004)	\$626,000
26	General Fund--State Appropriation (FY 2005)	\$626,000
27	TOTAL APPROPRIATION	\$1,252,000

28 The appropriations in this subsection are subject to the following
29 conditions and limitations: \$110,000 of the general fund--state
30 appropriation for fiscal year 2004 and \$110,000 of the general fund--
31 state appropriation for fiscal year 2005 are provided solely for
32 transfer to the jail industries board. The board shall use the amounts
33 provided only for administrative expenses, equipment purchases, and
34 technical assistance associated with advising cities and counties in
35 developing, promoting, and implementing consistent, safe, and efficient
36 offender work programs.

1	(5) INTERAGENCY PAYMENTS	
2	General Fund--State Appropriation (FY 2004)	\$25,099,000
3	General Fund--State Appropriation (FY 2005)	\$25,134,000
4	TOTAL APPROPRIATION	\$50,233,000

5 **Sec. 223.** 2003 c 10 s 218 (uncodified) is amended to read as
6 follows:

7 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the
8 department of corrections in this act shall be expended for the
9 programs and in the amounts specified herein. However, after May 1,
10 2003, after approval by the director of financial management and unless
11 specifically prohibited by this act, the department may transfer
12 general fund--state appropriations for fiscal year 2003 between
13 programs. The director of financial management shall notify the
14 appropriate fiscal committees of the senate and house of
15 representatives in writing prior to approving any deviations from
16 appropriation levels.

17	(1) ADMINISTRATION AND SUPPORT SERVICES	
18	General Fund--State Appropriation (FY 2002)	\$36,786,000
19	General Fund--State Appropriation (FY 2003)	(\$36,239,000)
20		<u>\$32,989,000</u>
21	Public Safety and Education Account--State	
22	Appropriation	\$1,576,000
23	Violence Reduction and Drug Enforcement	
24	Account Appropriation	\$3,254,000
25	TOTAL APPROPRIATION	(\$77,855,000)
26		<u>\$74,605,000</u>

27 The appropriations in this subsection are subject to the following
28 conditions and limitations: \$4,623,000 of the general fund--state
29 appropriation for fiscal year 2002, ~~(\$4,623,000)~~ \$1,373,000 of the
30 general fund--state appropriation for fiscal year 2003, and \$3,254,000
31 of the violence reduction and drug enforcement account appropriation
32 are provided solely for the replacement of the department's offender-
33 based tracking system. This amount is conditioned on the department
34 satisfying the requirements of section 902 of this act. The department
35 shall prepare an assessment of the fiscal impact of any changes to the
36 replacement project. The assessment shall:

- 1 (a) Include a description of any changes to the replacement
- 2 project;
- 3 (b) Provide the estimated costs for each component in the 2001-03
- 4 and subsequent biennia;
- 5 (c) Include a schedule that provides the time estimated to complete
- 6 changes to each component of the replacement project; and
- 7 (d) Be provided to the office of financial management, the
- 8 department of information services, the information services board, and
- 9 the staff of the fiscal committees of the senate and the house of
- 10 representatives no later than November 1, 2002.

11 (2) CORRECTIONAL OPERATIONS

12	General Fund--State Appropriation (FY 2002)	\$404,390,000
13	General Fund--State Appropriation (FY 2003)	\$433,915,000
14	General Fund--Federal Appropriation	\$9,936,000
15	Violence Reduction and Drug Enforcement Account--	
16	State Appropriation	\$1,596,000
17	Public Health Services Account Appropriation	\$1,453,000
18	TOTAL APPROPRIATION	\$851,290,000

19 The appropriations in this subsection are subject to the following

20 conditions and limitations:

21 (a) The department may expend funds generated by contractual

22 agreements entered into for mitigation of severe overcrowding in local

23 jails. Any funds generated in excess of actual costs shall be

24 deposited in the state general fund. Expenditures shall not exceed

25 revenue generated by such agreements and shall be treated as recovery

26 of costs.

27 (b) The department shall provide funding for the pet partnership

28 program at the Washington corrections center for women at a level at

29 least equal to that provided in the 1995-97 biennium.

30 (c) The department of corrections shall accomplish personnel

31 reductions with the least possible impact on correctional custody

32 staff, community custody staff, and correctional industries. For the

33 purposes of this subsection, correctional custody staff means employees

34 responsible for the direct supervision of offenders.

35 (d) \$553,000 of the general fund--state appropriation for fiscal

36 year 2002 and \$956,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely to increase payment rates for
2 contracted education providers, contracted chemical dependency
3 providers, and contracted work release facilities.

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

14 (f) For the acquisition of properties and facilities, the
15 department of corrections is authorized to enter into financial
16 contracts, paid for from operating resources, for the purposes
17 indicated and in not more than the principal amounts indicated, plus
18 financing expenses and required reserves pursuant to chapter 39.94 RCW.
19 This authority applies to the following: Lease-develop with the option
20 to purchase or lease-purchase approximately 50 work release beds in
21 facilities throughout the state for \$3,500,000.

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

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

31 (i) Within the amounts appropriated in this section, funding is
32 provided for the initial implementation of a medical algorithm practice
33 program within the department's facilities. The program shall be
34 designed to achieve clinical efficacy and costs efficiency in the
35 utilization of psychiatric drugs.

36 (3) COMMUNITY SUPERVISION
37 General Fund--State Appropriation (FY 2002) \$68,097,000

1	General Fund--State Appropriation (FY 2003)	\$77,436,000
2	General Fund--Federal Appropriation	\$870,000
3	Public Safety and Education	
4	Account--State Appropriation	\$15,493,000
5	TOTAL APPROPRIATION	\$161,896,000

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

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

13 (b) \$75,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$75,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided solely for the department of corrections
16 to contract with the institute for public policy for responsibilities
17 assigned in chapter 196, Laws of 1999 (offender accountability act) and
18 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
19 sentencing).

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

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

30 (4) CORRECTIONAL INDUSTRIES

31	General Fund--State Appropriation (FY 2002)	\$631,000
32	General Fund--State Appropriation (FY 2003)	\$629,000
33	TOTAL APPROPRIATION	\$1,260,000

34 The appropriations in this subsection are subject to the following
35 conditions and limitations: \$110,000 of the general fund--state
36 appropriation for fiscal year 2002 and \$110,000 of the general fund--

1 state appropriation for fiscal year 2003 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 2002)	\$18,568,000
9	General Fund--State Appropriation (FY 2003)	\$18,569,000
10	TOTAL APPROPRIATION	\$37,137,000

11 NEW SECTION. **Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE**
 12 **BLIND**

13	General Fund--State Appropriation (FY 2004)	\$1,767,000
14	General Fund--State Appropriation (FY 2005)	\$1,767,000
15	General Fund--Federal Appropriation	\$14,297,000
16	General Fund--Private/Local Appropriation	\$80,000
17	TOTAL APPROPRIATION	\$17,911,000

18 NEW SECTION. **Sec. 225. FOR THE SENTENCING GUIDELINES COMMISSION**

19	General Fund--State Appropriation (FY 2004)	\$737,000
20	General Fund--State Appropriation (FY 2005)	\$741,000
21	TOTAL APPROPRIATION	\$1,478,000

22 NEW SECTION. **Sec. 226. 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	Administrative Contingency Account--State	
28	Appropriation	\$14,721,000
29	Employment Service Administrative Account--State	
30	Appropriation	\$23,184,000
31	TOTAL APPROPRIATION	\$520,472,000

32 The appropriations in this subsection are subject to the following
 33 conditions and limitations: \$100,000 of the administrative contingency
 34 account appropriation is provided solely to establish an advisory

1 partnership on the Washington manufacturing sector as outlined in
2 Substitute House Bill No. 2164 (manufacturing advisory partnership) and
3 recommended in the report entitled manufacturing in Washington state,
4 1990-2002: trends and implications for the industry and state.

5 **Sec. 227.** 2003 c 10 s 209 (uncodified) is amended to read as
6 follows:

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

9	General Fund--State Appropriation (FY 2002)	\$1,081,150,000
10	General Fund--State Appropriation (FY 2003)	((\$1,202,277,000))
11		<u>\$1,192,164,000</u>
12	General Fund--Federal Appropriation	((\$3,319,133,000))
13		<u>\$3,329,246,000</u>
14	General Fund--Private/Local Appropriation	\$216,735,000
15	Emergency Medical Services and Trauma Care Systems	
16	Trust Account--State Appropriation	\$10,700,000
17	Health Services Account--State Appropriation	\$720,236,000
18	TOTAL APPROPRIATION	\$6,550,231,000

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

21 (1) The department shall increase its efforts to restrain the
22 growth of health care costs. The appropriations in this section
23 anticipate that the department implements a combination of cost
24 containment and utilization strategies sufficient to reduce general
25 fund--state costs by approximately 3 percent below the level projected
26 for the 2001-03 biennium in the March 2001 forecast. The department
27 shall report to the fiscal committees of the legislature by October 1,
28 2001, on its specific plans and semiannual targets for accomplishing
29 these savings. The department shall report again to the fiscal
30 committees by March 1, 2002, and by September 1, 2002, on actual
31 performance relative to the semiannual targets. If satisfactory
32 progress is not being made to achieve the targeted savings, the reports
33 shall include recommendations for additional or alternative measures to
34 control costs.

35 (2) The department shall continue to extend medicaid eligibility to

1 children through age 18 residing in households with incomes below 200
2 percent of the federal poverty level.

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

7 (4) \$502,000 of the health services account appropriation, \$400,000
8 of the general fund--private/local appropriation, and \$1,676,000 of the
9 general fund--federal appropriation are provided solely for
10 implementation of Second Substitute House Bill No. 1058 (breast and
11 cervical cancer treatment). If the bill is not enacted by June 30,
12 2001, or if private funding is not contributed equivalent to the
13 general fund--private/local appropriation, the funds appropriated in
14 this subsection shall lapse.

15 (5) \$620,000 of the health services account appropriation for
16 fiscal year 2002, \$337,000 of the health services account appropriation
17 for fiscal year 2003, and \$960,000 of the general fund--federal
18 appropriation are provided solely for implementation of a "ticket to
19 work" medicaid buy-in program for working persons with disabilities,
20 operated in 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;

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 and

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

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

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

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

25 (9) \$80,000 of the general fund--state appropriation for fiscal
26 year 2002, \$80,000 of the general fund--state appropriation for fiscal
27 year 2003, and \$160,000 of the general fund--federal appropriation are
28 provided solely for the newborn referral program to provide access and
29 outreach to reduce infant mortality.

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

36 (11) In accordance with RCW 74.46.625, \$199,111,000 of the health
37 services account appropriation and \$201,049,000 of the general fund--

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

16 (12) \$40,428,000 of the health services account appropriation and
17 \$40,807,000 of the general fund--federal appropriation are provided
18 solely for additional disproportionate share and medicare upper payment
19 limit payments to public hospital districts.

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

26 (13) \$412,000 of the general fund--state appropriation for fiscal
27 year 2002, \$862,000 of the general fund--state appropriation for fiscal
28 year 2003, and \$730,000 of the general fund--federal appropriation are
29 provided solely for implementation of Substitute House Bill No. 1162
30 (small rural hospitals). If Substitute House Bill No. 1162 is not
31 enacted by June 30, 2001, the amounts provided in this subsection shall
32 lapse.

33 (14) The department may continue to use any federal money available
34 to continue to provide medicaid matching funds for funds contributed by
35 local governments for purposes of conducting eligibility outreach to
36 children and underserved groups. The department shall ensure

1 cooperation with the anticipated audit of the school districts'
2 matchable expenditures for this program and advise the appropriate
3 legislative fiscal committees of the findings.

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

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

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

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

24 (19) Within available resources, the department shall design and
25 report on the feasibility of a general assistance medical care
26 management project in two counties, one in eastern Washington and one
27 in western Washington. In designing the project, the department shall
28 consult with the mental health division, migrant and community health
29 centers, and any other managed care provider that has the capacity to
30 offer coordinated medical and mental health care. The projects shall
31 be designed in such a way that a designated provider network is
32 established for general assistance clients so that care management can
33 be maximized. The department shall report on the design of the pilot
34 project to the policy and fiscal committees of the legislature by
35 October 15, 2002.

36 (20) \$21,000 of the general fund--state appropriation and \$189,000
37 of the general fund--federal appropriation are provided solely for

1 initiation of a study to assess alternatives for replacing the existing
2 medicaid management information system. The department shall report to
3 the information services board and to the fiscal committees of the
4 legislature by December 1, 2003, on the anticipated costs and benefits
5 of the major alternative approaches. The department shall receive
6 specific authorization in the 2003-05 appropriations act before
7 proceeding with procurement of the replacement system.

(End of part)

PART III
NATURAL RESOURCES

NEW SECTION. **Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION**

General Fund--State Appropriation (FY 2004)	\$339,000
General Fund--State Appropriation (FY 2005)	\$345,000
General Fund--Private/Local Appropriation	\$663,000
TOTAL APPROPRIATION	\$1,347,000

NEW SECTION. **Sec. 302. FOR THE DEPARTMENT OF ECOLOGY**

General Fund--State Appropriation (FY 2004)	\$33,464,000
General Fund--State Appropriation (FY 2005)	\$33,263,000
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
State Emergency Water Projects Revolving Account--	
State Appropriation	\$552,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	\$1,708,000
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

1	State Toxics Control Account--State	
2	Appropriation	\$59,268,000
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	Underground Storage Tank Account--State	
10	Appropriation	\$2,710,000
11	Environmental Excellence Account--State	
12	Appropriation	\$504,000
13	Biosolids Permit Account--State Appropriation	\$784,000
14	Hazardous Waste Assistance Account--State	
15	Appropriation	\$4,185,000
16	Air Pollution Control Account--State	
17	Appropriation	\$1,654,000
18	Oil Spill Prevention Account--State	
19	Appropriation	\$7,745,000
20	Air Operating Permit Account--State	
21	Appropriation	\$3,693,000
22	Freshwater Aquatic Weeds Account--State	
23	Appropriation	\$2,503,000
24	Oil Spill Response Account--State	
25	Appropriation	\$7,078,000
26	Metals Mining Account--State Appropriation	\$19,000
27	Water Pollution Control Revolving Account--	
28	State Appropriation	\$380,000
29	Water Pollution Control Revolving Account--	
30	Federal Appropriation	\$1,867,000
31	TOTAL APPROPRIATION	\$301,337,000

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

34 (1) \$2,757,696 of the general fund--state appropriation for fiscal
35 year 2004, \$2,757,696 of the general fund--state appropriation for
36 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
37 \$2,581,000 of the state toxics account--state appropriation, \$217,830

1 of the water quality account--state appropriation, \$322,976 of the
2 state drought preparedness account--state appropriation, \$3,748,220 of
3 the water quality permit account--state appropriation, and \$704,942 of
4 the oil spill prevention account are provided solely for the
5 implementation of the Puget Sound work plan and agency action items
6 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

7 (2) \$4,059,000 of the state toxics control account appropriation is
8 provided solely for methamphetamine lab clean-up activities.

9 (3) \$170,000 of the oil spill prevention account appropriation is
10 provided solely for implementation of the Puget Sound work plan action
11 item UW-02 through a contract with the University of Washington's sea
12 grant program to develop an educational program targeted to small
13 spills from commercial fishing vessels, ferries, cruise ships, ports,
14 and marinas.

15 (4) \$1,000,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$1,000,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for shoreline grants to local
18 governments to implement Substitute Senate Bill No. 6012 (shoreline
19 management), chapter 262, Laws of 2003.

20 (5) Fees approved by the department of ecology in the 2003-05
21 biennium are authorized to exceed the fiscal growth factor under RCW
22 43.135.055.

23 (6) \$200,000 of the water quality account--state appropriation is
24 provided solely for the department to contract with Washington State
25 University cooperative extension program to provide statewide
26 coordination and support for coordinated resource management.

27 (7) \$100,000 of the state toxics control account--state
28 appropriation is provided solely to implement Engrossed Substitute
29 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill
30 is not enacted by June 30, 2003, the amount provided in this subsection
31 shall lapse.

32 (8) The department of ecology is authorized to take one of the
33 following actions related to the grant awarded in the 2001-03 biennium
34 to Lincoln county for the Negro Creek flood control project, flood
35 control assistance account program grant G0200049: (a) Carry forward
36 to the 2003-05 biennium any unspent portion of the grant, or (b) extend

1 the time of performance for the grant contract to the end of the 2003-
2 2005 biennium.

3 NEW SECTION. **Sec. 303. FOR THE STATE PARKS AND RECREATION**
4 **COMMISSION**

5	General Fund--State Appropriation (FY 2004)	\$29,986,000
6	General Fund--State Appropriation (FY 2005)	\$29,976,000
7	General Fund--Federal Appropriation	\$2,666,000
8	General Fund--Private/Local Appropriation	\$63,000
9	Winter Recreation Program Account--State	
10	Appropriation	\$1,079,000
11	Off Road Vehicle Account--State Appropriation	\$285,000
12	Snowmobile Account--State Appropriation	\$4,790,000
13	Aquatic Lands Enhancement Account--State	
14	Appropriation	\$332,000
15	Public Safety and Education Account--State	
16	Appropriation	\$47,000
17	Parks Renewal and Stewardship Account--	
18	State Appropriation	\$33,769,000
19	TOTAL APPROPRIATION	\$102,993,000

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

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

25 (2) \$79,000 of the general fund--state appropriation for fiscal
26 year 2004, \$79,000 of the general fund--state appropriation for fiscal
27 year 2005, and \$8,000 of the winter recreation program account--state
28 appropriation are provided solely for a grant for the operation of the
29 Northwest avalanche center.

30 (3) \$191,000 of the aquatic lands enhancement account appropriation
31 is provided solely for the implementation of the Puget Sound work plan
32 and agency action item P+RC-02.

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

1 NEW SECTION. **Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR**

2 **RECREATION**

3 General Fund--State Appropriation (FY 2004) \$1,246,000
4 General Fund--State Appropriation (FY 2005) \$1,256,000
5 General Fund--Federal Appropriation \$17,983,000
6 Firearms Range Account--State Appropriation \$22,000
7 Recreation Resources Account--State
8 Appropriation \$2,608,000
9 NOVA Program Account--State Appropriation \$691,000
10 Water Quality Account--State Appropriation \$200,000
11 Aquatic Lands Enhancement Account--State Appropriation . . . \$254,000
12 TOTAL APPROPRIATION \$24,260,000

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

15 (1) \$16,000,000 of the general fund--federal appropriation is
16 provided solely for implementation of the forest and fish agreement
17 rules. These funds will be passed through to the department of natural
18 resources and the department of fish and wildlife.

19 (2) \$41,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$41,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the operation and maintenance
22 of the natural resources data portal.

23 (3) \$812,000 of the general fund--state appropriation for fiscal
24 year 2004, \$813,000 of the general fund--state appropriation for fiscal
25 year 2005, and \$1,625,000 of the general fund--federal appropriation
26 are provided to the salmon recovery funding board for distribution to
27 lead entities. The board may establish policies to require
28 coordination of funding requests from lead entities and regional
29 recovery boards to ensure that recovery efforts are synchronized. At
30 the discretion of the board, funding shall be concentrated in
31 watersheds within the highest priority salmon recovery regions as
32 defined by the statewide strategy to recover salmon. The board shall
33 also coordinate funding decisions with the northwest power planning
34 council to ensure maximum efficiency and investment return.

35 (4) \$234,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$234,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely to implement priority

1 recommendations developed by the monitoring oversight committee as
2 directed by RCW 77.85.210. Within these funds, activity shall be
3 directed to improve monitoring oversight within watersheds, enhance
4 data coordination and access among recovery partners, and produce a
5 state watershed health report card.

6 NEW SECTION. **Sec. 305. FOR THE ENVIRONMENTAL HEARINGS OFFICE**

7	General Fund--State Appropriation (FY 2004)	\$923,000
8	General Fund--State Appropriation (FY 2005)	\$960,000
9	TOTAL APPROPRIATION	\$1,883,000

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

16 NEW SECTION. **Sec. 306. FOR THE CONSERVATION COMMISSION**

17	General Fund--State Appropriation (FY 2004)	\$2,234,000
18	General Fund--State Appropriation (FY 2005)	\$2,245,000
19	Water Quality Account--State Appropriation	\$2,162,000
20	TOTAL APPROPRIATION	\$6,641,000

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

23 (1) \$247,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$247,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the implementation of the
26 Puget Sound work plan and agency action item CC-01.

27 (2) \$118,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$121,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely to implement Engrossed Second
30 Substitute House Bill No. 1418 (drainage infrastructure), chapter 391,
31 Laws of 2003.

32 NEW SECTION. **Sec. 307. FOR THE DEPARTMENT OF FISH AND WILDLIFE**

33	General Fund--State Appropriation (FY 2004)	\$41,453,000
34	General Fund--State Appropriation (FY 2005)	\$40,179,000

1	General Fund--Federal Appropriation	\$31,632,000
2	General Fund--Private/Local Appropriation	\$24,300,000
3	Off Road Vehicle Account--State	
4	Appropriation	\$501,000
5	Aquatic Lands Enhancement Account--State	
6	Appropriation	\$5,620,000
7	Public Safety and Education Account--State	
8	Appropriation	\$562,000
9	Recreational Fisheries Enhancement Account--	
10	State Appropriation	\$3,392,000
11	Warm Water Game Fish Account--State	
12	Appropriation	\$2,568,000
13	Eastern Washington Pheasant Enhancement Account--	
14	State Appropriation	\$750,000
15	Wildlife Account--State Appropriation	\$57,138,000
16	Wildlife Account--Federal Appropriation	\$38,216,000
17	Wildlife Account--Private/Local	
18	Appropriation	\$15,158,000
19	Game Special Wildlife Account--State	
20	Appropriation	\$1,949,000
21	Game Special Wildlife Account--Federal	
22	Appropriation	\$9,598,000
23	Game Special Wildlife Account--Private/Local	
24	Appropriation	\$350,000
25	Environmental Excellence Account--State	
26	Appropriation	\$15,000
27	Regional Fisheries Salmonid Recovery Account--	
28	Federal Appropriation	\$1,750,000
29	Oil Spill Prevention Account--State	
30	Appropriation	\$981,000
31	Oyster Reserve Land Account--State	
32	Appropriation	\$137,000
33	TOTAL APPROPRIATION	\$276,249,000

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

36 (1) \$1,355,714 of the general fund--state appropriation for fiscal
37 year 2004, \$1,355,713 of the general fund--state appropriation for

1 fiscal year 2005, and \$402,000 of the wildlife account--state
2 appropriation are provided solely for the implementation of the Puget
3 Sound work plan and agency action items DFW-01 through DFW-06.

4 (2) \$225,000 of the general fund--state appropriation for fiscal
5 year 2004, \$225,000 of the general fund--state appropriation for fiscal
6 year 2005, and \$550,000 of the wildlife account--state appropriation
7 are provided solely for the implementation of hatchery reform
8 recommendations defined by the hatchery scientific review group.

9 (3) \$850,000 of the wildlife account--state appropriation is
10 provided solely for stewardship and maintenance needs on agency-owned
11 lands and water access sites.

12 (4) \$900,000 of the wildlife fund--state appropriation is provided
13 solely for wetland restoration activities for migratory waterfowl by
14 providing landowner incentives to create or maintain waterfowl habitat
15 and management activities.

16 (5) \$2,000,000 of the aquatic lands enhancement account
17 appropriation is provided for cooperative volunteer projects.

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

24 (7) The department shall develop and implement an activity-based
25 costing system. The system shall be operational no later than January
26 1, 2004.

27 (8) \$400,000 of the wildlife account--state appropriation is
28 provided solely to implement the department's information systems
29 strategic plan to include continued implementation of a personal
30 computer leasing plan, an upgrade of computer back-up systems, systems
31 architecture assessment, and network security analysis.

32 (9) Within funds provided, the department shall make available
33 enforcement and biological staff to respond and take appropriate action
34 to ensure public safety in response to public complaints regarding bear
35 and cougar.

36 (10) \$43,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$42,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for staffing and operation of the
3 Tennant Lake interpretive center.

4 (11) \$80,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$77,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely to implement Second Substitute
7 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
8 2003.

9 (12) \$25,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$25,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to implement Engrossed Second
12 Substitute House Bill No. 1338 (municipal water rights). If the bill
13 is not enacted by June 30, 2003, the amounts provided in this
14 subsection shall lapse.

15 (13) \$110,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$110,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for economic adjustment assistance
18 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

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

24 **NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF NATURAL RESOURCES**

25	General Fund--State Appropriation (FY 2004)	\$30,307,000
26	General Fund--State Appropriation (FY 2005)	\$34,233,000
27	General Fund--Federal Appropriation	\$3,809,000
28	General Fund--Private/Local Appropriation	\$2,482,000
29	Forest Development Account--State	
30	Appropriation	\$52,060,000
31	Off Road Vehicle Account--State	
32	Appropriation	\$4,028,000
33	Surveys and Maps Account--State	
34	Appropriation	\$2,760,000
35	Aquatic Lands Enhancement Account--State	
36	Appropriation	\$6,884,000

1	Resources Management Cost Account--State	
2	Appropriation	\$70,391,000
3	Surface Mining Reclamation Account--State	
4	Appropriation	\$2,293,000
5	Disaster Response Account--State Appropriation	\$7,200,000
6	Water Quality Account--State Appropriation	\$2,479,000
7	Aquatic Land Dredged Material Disposal Site	
8	Account--State Appropriation	\$1,311,000
9	Natural Resource Conservation Areas Stewardship	
10	Account Appropriation	\$83,000
11	Air Pollution Control Account--State	
12	Appropriation	\$526,000
13	Agricultural College Trust Management Account	
14	Appropriation	\$1,868,000
15	Derelict Vessel Removal Account--State	
16	Appropriation	\$1,130,000
17	TOTAL APPROPRIATION	\$223,844,000

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

20 (1) \$18,000 of the general fund--state appropriation for fiscal
21 year 2004, \$18,000 of the general fund--state appropriation for fiscal
22 year 2005, and \$1,006,950 of the aquatic lands enhancement account
23 appropriation are provided solely for the implementation of the Puget
24 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

25 (2) \$908,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$910,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for deposit into the agricultural
28 college trust management account and are provided solely to manage
29 approximately 70,700 acres of Washington State University's
30 agricultural college trust lands.

31 (3) \$1,158,000 of the general fund--state appropriation for fiscal
32 year 2004, \$8,358,000 of the general fund--state appropriation for
33 fiscal year 2005, and \$7,200,000 of the disaster response account--
34 state appropriation are provided solely for emergency fire suppression.

35 (4) \$582,000 of the aquatic lands enhancement account appropriation
36 is provided solely for spartina control.

1 (5) Fees approved by the board of natural resources in the 2003-05
2 biennium are authorized to exceed the fiscal growth factor under RCW
3 43.135.055.

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

9 (7) Authority to expend funding for acquisition of technology
10 equipment and software associated with development of a new revenue
11 management system is conditioned on compliance with section 902 of this
12 act.

13 (8) \$1,000,000 of the aquatic lands enhancement account--state
14 appropriation is provided solely for the department to meet its
15 obligations with the U.S. environmental protection agency for the
16 clean-up of Commencement Bay.

17 (9) For the 2003-05 fiscal biennium, the department has revised the
18 methodology by which administrative costs of the department are
19 allocated among the state general fund and the various dedicated funds
20 and accounts from which the department receives appropriations. The
21 legislature recognizes that the revised methodology represents a fair
22 and equitable allocation of costs under state law and accounting rules.
23 The legislature further finds that retroactive application of the
24 revised methodology is neither practical nor desirable.

25 (10) The department of natural resources shall provide a report to
26 the appropriate committees of the legislature, the office of financial
27 management, and the board of natural resources concerning the costs and
28 effectiveness of the contract harvesting program as authorized by
29 Second Substitute Senate Bill No. 5074 (contract harvesting), chapter
30 313, Laws of 2003. The report shall be submitted by December 31, 2006,
31 and shall include the following information:

- 32 (a) Number of sales conducted through contract harvesting;
33 (b) For each sale conducted, the (i) number of board feet sold;
34 (ii) stumpage and pond prices; (iii) difference in revenues received
35 compared to revenues that would have accrued through noncontract
36 harvest sales, and the distribution of revenues to the contract

1 harvesting revolving account, and to applicable management and trust
2 accounts; and (iv) total cost to conduct the contract harvest, by fund
3 and object of expenditure; and

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

5 (11) \$208,000 of the general fund--state appropriation of fiscal
6 year 2004 and \$70,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely to implement Second Substitute
8 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
9 2003.

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

14 (13) \$4,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$4,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely to compensate the forest board
17 trust for a portion of the lease to the Crescent television improvement
18 district consistent with RCW 79.12.055.

19 (14) \$2,700,000 of the general fund--state appropriation for fiscal
20 year 2004 is provided solely to the department of natural resources to
21 acquire approximately 232 acres of land and timber in Klickitat county
22 from the SDS lumber company. Expenditure of the moneys provided in
23 this subsection shall not be made until the SDS lumber company accepts
24 the land and timber acquisition as full and complete settlement of the
25 current litigation brought by the SDS lumber company against the state
26 and the litigation is dismissed, with prejudice. The land and timber
27 acquired with the funding in this subsection shall be managed for the
28 benefit of the common schools. By June 30, 2004, if the department has
29 not recovered through trust asset management the state's capital
30 investment from the land acquisition provided in this subsection, the
31 department shall seek reimbursement from the federal government. It is
32 the intent of the legislature that the state general fund appropriation
33 for the 2005-07 fiscal biennium for the forest practices program in the
34 department be reduced by the amount not recovered through trust land
35 management or reimbursement by the federal government.

36 (15) \$265,000 of the aquatic lands enhancement account

1 appropriation is provided solely for developing a pilot project to
2 study the feasibility of geoduck aquaculture on both intertidal and
3 subtidal lands in the state of Washington.

4 NEW SECTION. **Sec. 309. FOR THE DEPARTMENT OF AGRICULTURE**

5	General Fund--State Appropriation (FY 2004)	\$7,444,000
6	General Fund--State Appropriation (FY 2005)	\$7,244,000
7	General Fund--Federal Appropriation	\$10,068,000
8	General fund--Private/Local Appropriation	\$1,110,000
9	Aquatic Lands Enhancement Account--State	
10	Appropriation	\$1,942,000
11	Water Quality Account--State Appropriation	\$692,000
12	State Toxics Control Account--State	
13	Appropriation	\$2,580,000
14	Water Quality Permit Account--State Appropriation	\$165,000
15	TOTAL APPROPRIATION	\$31,245,000

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

18 (1) \$37,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$37,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for implementation of the Puget
21 Sound work plan and agency action item WSDA-01.

22 (2) Fees and assessments approved by the department in the 2003-05
23 biennium are authorized to exceed the fiscal growth factor under RCW
24 43.135.055.

25 (3) \$165,000 of the water quality permit account--state
26 appropriation and \$692,000 of the water quality account--state
27 appropriation are provided solely to implement Engrossed Substitute
28 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
29 2003.

30 (4) \$53,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$15,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely to implement Engrossed Substitute
33 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

34 NEW SECTION. **Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY**

1 **REINSURANCE PROGRAM**

2 Pollution Liability Insurance Program Trust Account--

3 State Appropriation \$984,000

(End of part)

PART IV
TRANSPORTATION

NEW SECTION. **Sec. 401. FOR THE DEPARTMENT OF LICENSING**

4	General Fund--State Appropriation (FY 2004)	\$4,986,000
5	General Fund--State Appropriation (FY 2005)	\$4,988,000
6	Architects' License Account--State	
7	Appropriation	\$696,000
8	Cemetery Account--State Appropriation	\$235,000
9	Professional Engineers' Account--State	
10	Appropriation	\$3,025,000
11	Real Estate Commission Account--State Appropriation	\$7,111,000
12	Master License Account--State Appropriation	\$9,110,000
13	Uniform Commercial Code Account--State	
14	Appropriation	\$2,987,000
15	Real Estate Education Account--State	
16	Appropriation	\$277,000
17	Real Estate Appraisers Commission Account--State	
18	Appropriation	\$927,000
19	Geologist's Account--State	
20	Appropriation	\$7,000
21	Funeral Directors and Embalmers Account--State	
22	Appropriation	\$521,000
23	Washington Real Estate Research Account--State	
24	Appropriation	\$308,000
25	Data Processing Revolving Account--State	
26	Appropriation	\$29,000
27	TOTAL APPROPRIATION	\$35,207,000

28 The appropriations in this section are subject to the following
29 conditions and limitations: In accordance with RCW 43.24.086, it is
30 the policy of the state of Washington that the cost of each
31 professional, occupational, or business licensing program be fully
32 borne by the members of that profession, occupation, or business. For
33 each licensing program covered by RCW 43.24.086, the department shall
34 set fees at levels sufficient to fully cover the cost of administering

1 the licensing program, including any costs associated with policy
 2 enhancements funded in the 2003-05 fiscal biennium. Pursuant to RCW
 3 43.135.055, during the 2003-05 fiscal biennium, the department may
 4 increase fees in excess of the fiscal growth factor if the increases
 5 are necessary to fully fund the costs of the licensing programs.

6 NEW SECTION. **Sec. 402. FOR THE STATE PATROL**

7	General Fund--State Appropriation (FY 2004)	\$20,005,000
8	General Fund--State Appropriation (FY 2005)	\$18,855,000
9	General Fund--Federal Appropriation	\$4,240,000
10	General Fund--Private/Local Appropriation	\$378,000
11	Death Investigations Account--State	
12	Appropriation	\$4,489,000
13	Public Safety and Education Account--State	
14	Appropriation	\$20,852,000
15	Enhanced 911 Account--State Appropriation	\$612,000
16	County Criminal Justice Assistance Account--State	
17	Appropriation	\$2,649,000
18	Municipal Criminal Justice Assistance Account--	
19	State Appropriation	\$1,087,000
20	Fire Service Trust Account--State	
21	Appropriation	\$125,000
22	Fire Service Training Account--State	
23	Appropriation	\$7,374,000
24	State Toxics Control Account--State	
25	Appropriation	\$436,000
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation	\$286,000
28	Fingerprint Identification Account--State	
29	Appropriation	\$4,405,000
30	TOTAL APPROPRIATION	\$85,793,000

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

33 (1) \$750,000 of the fire service training account--state
 34 appropriation is provided solely for the implementation of Senate Bill
 35 No. 5176 (fire fighting training). If the bill is not enacted by June
 36 30, 2003, the amount provided in this subsection shall lapse.

1 (2) \$200,000 of the fire service training account--state
2 appropriation is provided solely for two FTE's in the office of state
3 fire marshal to exclusively review K-12 construction documents for fire
4 and life safety in accordance with the state building code. It is the
5 intent of this appropriation to provide these services only to those
6 districts that are located in counties without qualified review
7 capabilities.

(End of part)

PART V
EDUCATION

NEW SECTION. **Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	\$11,772,000
General Fund--State Appropriation (FY 2005)	\$11,761,000
General Fund--Federal Appropriation	\$15,921,000
TOTAL APPROPRIATION	\$39,454,000

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.

(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.

(c) \$416,000 of the general fund--state appropriation for fiscal year 2004 and \$416,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the Washington professional educator standards board.

(d) \$157,000 of the general fund--state appropriation for fiscal year 2004 and \$149,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of Substitute Senate Bill No. 5012 (charter schools). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(e) The department of social and health services, the office of the superintendent of public instruction, and the department of health should work together to identify opportunities for early intervention and prevention activities that can help prevent disease and reduce oral

1 health issues among children. Disease prevention among infants at the
2 age of one year and among children entering the K-12 education system
3 provide cost-effective ways to avoid higher health spending later in
4 life.

5 (2) STATEWIDE PROGRAMS

6	General Fund--State Appropriation (FY 2004)	\$8,966,000
7	General Fund--State Appropriation (FY 2005)	\$9,345,000
8	General Fund--Federal Appropriation	\$66,405,000
9	TOTAL APPROPRIATION	\$84,716,000

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,

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

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

12 (iii) A maximum of \$100,000 of the general fund--state
13 appropriation for fiscal year 2004 and a maximum of \$100,000 of the
14 general fund--state appropriation for fiscal year 2005 are provided for
15 a school safety training program provided by the criminal justice
16 training commission subject to the following conditions and
17 limitations:

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

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

27 (iv) \$400,000 of the general fund--federal appropriation
28 transferred from the department of health is provided for a program
29 that provides grants to school districts for media campaigns promoting
30 sexual abstinence and addressing the importance of delaying sexual
31 activity, pregnancy, and childbearing until individuals are ready to
32 nurture and support their children. Grants to the school districts
33 shall be for projects that are substantially designed and produced by
34 students. The grants shall require a local private sector match equal
35 to one-half of the state grant, which may include in-kind contribution
36 of technical or other assistance from consultants or firms involved in

1 public relations, advertising, broadcasting, and graphics or video
2 production or other related fields.

3 (v) \$13,663,000 of the general fund--federal appropriation is
4 provided for safe and drug free schools and communities grants for drug
5 and violence prevention activities and strategies.

6 (vi) A maximum of \$146,000 of the general fund--state appropriation
7 for fiscal year 2004 and a maximum of \$146,000 of the general fund--
8 state appropriation for fiscal year 2005 are provided for a nonviolence
9 and leadership training program provided by the institute for community
10 leadership. The program shall provide the following:

11 (A) Statewide nonviolence leadership coaches training program for
12 certification of educational employees and community members in
13 nonviolence leadership workshops;

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

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

20 (b) TECHNOLOGY

21 A maximum of \$1,939,000 of the general fund--state appropriation
22 for fiscal year 2004 and a maximum of \$1,939,000 of the general fund--
23 state appropriation for fiscal year 2005 are provided for K-20
24 telecommunications network technical support in the K-12 sector to
25 prevent system failures and avoid interruptions in school utilization
26 of the data processing and video-conferencing capabilities of the
27 network. These funds may be used to purchase engineering and advanced
28 technical support for the network.

29 (c) GRANTS AND ALLOCATIONS

30 (i) \$306,000 of the fiscal year 2004 appropriation and \$689,000 of
31 the fiscal year 2005 appropriation are provided solely for the special
32 services pilot projects provided by Second Substitute House Bill No.
33 2012 (special services pilot program). The office of the
34 superintendent of public instruction shall allocate these funds to the
35 district or districts participating in the pilot program according to
36 the provisions of section 2 subsection (4) of Second Substitute House
37 Bill No. 2012, chapter 33, Laws of 2003.

1 (ii) A maximum of \$761,000 of the general fund--state appropriation
2 for fiscal year 2004 and a maximum of \$757,000 of the general fund--
3 state appropriation for fiscal year 2005 are provided for alternative
4 certification routes. Funds may be used by the professional educator
5 standards board to continue existing alternative-route grant programs
6 and to create new alternative-route programs in regions of the state
7 with service shortages.

8 (iii) A maximum of \$31,000 of the general fund--state appropriation
9 for fiscal year 2004 and a maximum of \$31,000 of the general fund--
10 state appropriation for fiscal year 2005 are provided for operation of
11 the Cispus environmental learning center.

12 (iv) A maximum of \$1,224,000 of the general fund--state
13 appropriation for fiscal year 2004 and a maximum of \$1,224,000 of the
14 general fund--state appropriation for fiscal year 2005 are provided for
15 in-service training and educational programs conducted by the Pacific
16 Science Center.

17 (v) A maximum of \$1,079,000 of the general fund--state
18 appropriation for fiscal year 2004 and a maximum of \$1,079,000 of the
19 general fund--state appropriation for fiscal year 2005 are provided for
20 the Washington state leadership assistance for science education reform
21 (LASER) regional partnership coordinated at the Pacific Science Center.

22 (vi) A maximum of \$97,000 of the general fund--state appropriation
23 for fiscal year 2004 and a maximum of \$97,000 of the general fund--
24 state appropriation for fiscal year 2005 are provided to support
25 vocational student leadership organizations.

26 (vii) A maximum of \$146,000 of the general fund--state
27 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
28 general fund--state appropriation for fiscal year 2005 are provided for
29 the Washington civil liberties education program.

30 (viii) \$500,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$500,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for the Washington state achievers
33 scholarship program. The funds shall be used to support community
34 involvement officers that recruit, train, and match community volunteer
35 mentors with students selected as achievers scholars.

36 (ix) \$1,433,000 of the general fund--federal appropriation is
37 provided for the advanced placement fee program to increase

1 opportunities for low-income students and under-represented populations
2 to participate in advanced placement courses and to increase the
3 capacity of schools to provide advanced placement courses to students.

4 (x) \$9,510,000 of the general fund--federal appropriation is
5 provided for comprehensive school reform demonstration projects to
6 provide grants to low-income schools for improving student achievement
7 through adoption and implementation of research-based curricula and
8 instructional programs.

9 (xi) \$12,977,000 of the general fund--federal appropriation is
10 provided for 21st century learning center grants, providing after-
11 school and inter-session activities for students.

12 **NEW SECTION. Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC**
13 **INSTRUCTION--FOR GENERAL APPORTIONMENT**

14	General Fund--State Appropriation (FY 2004)	\$3,969,407,000
15	General Fund--State Appropriation (FY 2005)	\$3,977,209,000
16	TOTAL APPROPRIATION	\$7,946,616,000

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;

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

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

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

10 (v) For class size reduction and expanded learning opportunities
11 under the better schools program, an additional 0.8 certificated
12 instructional staff units for the 2003-04 school year for grades K-4
13 per thousand full-time equivalent students. Funds allocated for these
14 additional certificated units shall not be considered as basic
15 education funding. The allocation may be used for reducing class sizes
16 in grades K-4 or to provide additional classroom contact hours for
17 kindergarten, before-and-after-school programs, weekend school
18 programs, summer school programs, and intercession opportunities to
19 assist elementary school students in meeting the essential academic
20 learning requirements and student assessment performance standards.
21 For purposes of this subsection, additional classroom contact hours
22 provided by teachers beyond the normal school day under a supplemental
23 contract shall be converted to a certificated full-time equivalent by
24 dividing the classroom contact hours by 900.

25 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
26 excess of the amount required to maintain the statutory minimum ratio
27 established under RCW 28A.150.260(2)(b) shall be allocated only if the
28 district documents an actual ratio in grades K-4 equal to or greater
29 than 54.0 certificated instructional staff per thousand full-time
30 equivalent students in the 2003-04 school year and 53.2 certificated
31 instructional staff per thousand full-time equivalent students in the
32 2004-05 school year. For any school district documenting a lower
33 certificated instructional staff ratio, the allocation shall be based
34 on the district's actual grades K-4 certificated instructional staff
35 ratio achieved in that school year, or the statutory minimum ratio
36 established under RCW 28A.150.260(2)(b), if greater;

1 (B) Districts at or above 51.0 certificated instructional staff per
2 one thousand full-time equivalent students in grades K-4 may dedicate
3 up to 1.3 of the 54.0 funding ratio in the 2003-04 school year, and up
4 to 1.3 of the 53.2 funding ratio in the 2004-05 school year, to employ
5 additional classified instructional assistants assigned to basic
6 education classrooms in grades K-4. For purposes of documenting a
7 district's staff ratio under this section, funds used by the district
8 to employ additional classified instructional assistants shall be
9 converted to a certificated staff equivalent and added to the
10 district's actual certificated instructional staff ratio. Additional
11 classified instructional assistants, for the purposes of this
12 subsection, shall be determined using the 1989-90 school year as the
13 base year;

14 (C) Any district maintaining a ratio in grades K-4 equal to or
15 greater than 54.0 certificated instructional staff per thousand full-
16 time equivalent students in the 2003-04 school year and 53.2
17 certificated instructional staff per thousand full-time equivalent
18 students in the 2004-05 school year may use allocations generated under
19 this subsection (2)(a)(iv) and (v) in excess of that required to
20 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to
21 employ additional basic education certificated instructional staff or
22 classified instructional assistants in grades 5-6. Funds allocated
23 under this subsection (2)(a)(iv) and (v) shall only be expended to
24 reduce class size in grades K-6. No more than 1.3 of the certificated
25 instructional funding ratio amount may be expended for provision of
26 classified instructional assistants;

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

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

35 (A) Vocational education programs approved by the superintendent of
36 public instruction, a maximum of 0.92 certificated instructional staff

1 units and 0.08 certificated administrative staff units for each 19.5
2 full-time equivalent vocational students; and

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

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

13 (iii) Indirect cost charges by a school district to vocational-
14 secondary programs shall not exceed 15 percent of the combined basic
15 education and vocational enhancement allocations of state funds;

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

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

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

32 (e) For specified enrollments in districts enrolling more than
33 twenty-five but not more than one hundred average annual full-time
34 equivalent students in grades K-8, and for small school plants within
35 any school district which enroll more than twenty-five average annual
36 full-time equivalent students in grades K-8 and have been judged to be
37 remote and necessary by the state board of education:

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

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

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

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

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

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

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

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

1 (3) Allocations for classified salaries for the 2003-04 and 2004-05
2 school years shall be calculated using formula-generated classified
3 staff units determined as follows:

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

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

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

15 (4) Fringe benefit allocations shall be calculated at a rate of
16 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05
17 school year for certificated salary allocations provided under
18 subsection (2) of this section, and a rate of 12.25 percent in the
19 2003-04 school year and 12.25 percent in the 2004-05 school year for
20 classified salary allocations provided under subsection (3) of this
21 section.

22 (5) Insurance benefit allocations shall be calculated at the
23 maintenance rate specified in section 504(2) of this act, based on the
24 number of benefit units determined as follows:

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

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

33 (6)(a) For nonemployee-related costs associated with each
34 certificated staff unit allocated under subsection (2)(a), (b), and (d)
35 through (h) of this section, there shall be provided a maximum of
36 \$8,785 per certificated staff unit in the 2003-04 school year and a

1 maximum of \$8,952 per certificated staff unit in the 2004-05 school
2 year.

3 (b) For nonemployee-related costs associated with each vocational
4 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
5 section, there shall be provided a maximum of \$21,573 per certificated
6 staff unit in the 2003-04 school year and a maximum of \$21,983 per
7 certificated staff unit in the 2004-05 school year.

8 (c) For nonemployee-related costs associated with each vocational
9 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
10 section, there shall be provided a maximum of \$16,739 per certificated
11 staff unit in the 2003-04 school year and a maximum of \$17,057 per
12 certificated staff unit in the 2004-05 school year.

13 (7) Allocations for substitute costs for classroom teachers shall
14 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
15 2004-05 school years per allocated classroom teachers exclusive of
16 salary increase amounts provided in section 504 of this act. Solely
17 for the purposes of this subsection, allocated classroom teachers shall
18 be equal to the number of certificated instructional staff units
19 allocated under subsection (2) of this section, multiplied by the ratio
20 between the number of actual basic education certificated teachers and
21 the number of actual basic education certificated instructional staff
22 reported statewide for the prior school year.

23 (8) Any school district board of directors may petition the
24 superintendent of public instruction by submission of a resolution
25 adopted in a public meeting to reduce or delay any portion of its basic
26 education allocation for any school year. The superintendent of public
27 instruction shall approve such reduction or delay if it does not impair
28 the district's financial condition. Any delay shall not be for more
29 than two school years. Any reduction or delay shall have no impact on
30 levy authority pursuant to RCW 84.52.0531 and local effort assistance
31 pursuant to chapter 28A.500 RCW.

32 (9) The superintendent may distribute a maximum of \$6,392,000
33 outside the basic education formula during fiscal years 2004 and 2005
34 as follows:

35 (a) For fire protection for school districts located in a fire
36 protection district as now or hereafter established pursuant to chapter

1 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
2 and a maximum of \$504,000 may be expended in fiscal year 2005;

3 (b) For summer vocational programs at skills centers, a maximum of
4 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
5 \$2,035,000 for the 2005 fiscal year;

6 (c) A maximum of \$353,000 may be expended for school district
7 emergencies; and

8 (d) A maximum of \$485,000 each fiscal year may be expended for
9 programs providing skills training for secondary students who are
10 enrolled in extended day school-to-work programs, as approved by the
11 superintendent of public instruction. The funds shall be allocated at
12 a rate not to exceed \$500 per full-time equivalent student enrolled in
13 those programs.

14 (10) For purposes of RCW 84.52.0531, the increase per full-time
15 equivalent student is 3.4 percent from the 2002-03 school year to the
16 2003-04 school year and 2.5 percent from the 2003-04 school year to the
17 2004-05 school year.

18 (11) If two or more school districts consolidate and each district
19 was receiving additional basic education formula staff units pursuant
20 to subsection (2)(b) through (h) of this section, the following shall
21 apply:

22 (a) For three school years following consolidation, the number of
23 basic education formula staff units shall not be less than the number
24 of basic education formula staff units received by the districts in the
25 school year prior to the consolidation; and

26 (b) For the fourth through eighth school years following
27 consolidation, the difference between the basic education formula staff
28 units received by the districts for the school year prior to
29 consolidation and the basic education formula staff units after
30 consolidation pursuant to subsection (2)(a) through (h) of this section
31 shall be reduced in increments of twenty percent per year.

32 (12) \$159,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$1,181,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the implementation of
35 Substitute Senate Bill No. 5012 (charter schools). If the bill is not
36 enacted by June 30, 2003, the amounts provided in this subsection shall
37 lapse.

1 NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC
2 **INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION.** (1) The following
3 calculations determine the salaries used in the general fund
4 allocations for certificated instructional, certificated
5 administrative, and classified staff units under section 502 of this
6 act:

7 (a) Salary allocations for certificated instructional staff units
8 shall be determined for each district by multiplying the district's
9 certificated instructional total base salary shown on LEAP Document 12E
10 by the district's average staff mix factor for certificated
11 instructional staff in that school year, computed using LEAP Document
12 1Sa for the 2003-04 school year and LEAP Document 1Sb for the 2004-05
13 school year; and

14 (b) Salary allocations for certificated administrative staff units
15 and classified staff units for each district shall be based on the
16 district's certificated administrative and classified salary allocation
17 amounts shown on LEAP Document 12E.

18 (2) For the purposes of this section:

19 (a) "LEAP Document 1Sa" means the computerized tabulation
20 establishing staff mix factors for certificated instructional staff for
21 the 2003-04 school year according to education and years of experience,
22 as developed by the legislative evaluation and accountability program
23 committee on March 31, 2003, at 09:06 hours;

24 (b) "LEAP Document 1Sb" means the computerized tabulation
25 establishing staff mix factors for certificated instructional staff for
26 the 2004-05 school year according to education and years of experience,
27 as developed by the legislative evaluation and accountability program
28 committee on March 31, 2003, at 09:06 hours; and

29 (c) "LEAP Document 12E" means the computerized tabulation of 2003-
30 04 and 2004-05 school year salary allocations for certificated
31 administrative staff and classified staff and derived and total base
32 salaries for certificated instructional staff as developed by the
33 legislative evaluation and accountability program committee on March
34 31, 2003, at 09:06 hours.

35 (3) Incremental fringe benefit factors shall be applied to salary
36 adjustments at a rate of 9.04 percent for school year 2003-04 and 9.04

1 percent for school year 2004-05 for certificated staff and for
 2 classified staff 8.75 percent for school year 2003-04 and 8.75 percent
 3 for the 2004-05 school year.

4 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
 5 allocation schedules for certificated instructional staff are
 6 established for basic education salary allocations:

7 K-12 Salary Allocation Schedule For Certificated Instructional Staff

8 2003-04 School Year

9	Years of									MA+90
10	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD
11										
12	0	29,149	29,936	30,752	31,568	34,192	35,881	34,947	37,570	39,262
13	1	29,540	30,339	31,165	32,019	34,669	36,350	35,335	37,985	39,665
14	2	30,060	30,870	31,709	32,633	35,289	36,995	35,901	38,556	40,262
15	3	30,747	31,574	32,429	33,392	36,069	37,833	36,630	39,306	41,071
16	4	31,285	32,151	33,017	34,018	36,724	38,510	37,208	39,914	41,701
17	5	31,840	32,716	33,594	34,655	37,365	39,196	37,798	40,509	42,340
18	6	32,251	33,108	34,016	35,131	37,827	39,667	38,213	40,910	42,750
19	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
20	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
21	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
22	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
23	11				41,243	44,196	46,344	44,309	47,263	49,410
24	12				42,545	45,642	47,854	45,707	48,708	50,921
25	13					47,123	49,401	47,154	50,189	52,467
26	14					48,611	51,006	48,644	51,775	54,073
27	15					49,876	52,333	49,908	53,121	55,479
28	16 or More					50,873	53,379	50,906	54,183	56,588

29 K-12 Salary Allocation Schedule For Certificated Instructional Staff

30 2004-05 School Year

31	Years of									MA+90
32	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD
33										
34	0	30,023	30,834	31,674	32,516	35,218	36,958	35,995	38,697	40,439
35	1	30,427	31,249	32,100	32,979	35,709	37,440	36,395	39,125	40,855
36	2	30,812	31,642	32,502	33,449	36,171	37,920	36,798	39,520	41,269

1	3	31,209	32,047	32,916	33,893	36,610	38,401	37,180	39,895	41,687
2	4	31,598	32,473	33,347	34,358	37,091	38,895	37,580	40,313	42,118
3	5	32,000	32,879	33,762	34,829	37,552	39,392	37,987	40,711	42,551
4	6	32,413	33,273	34,186	35,306	38,016	39,866	38,404	41,114	42,963
5	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
6	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
7	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
8	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
9	11				41,243	44,196	46,344	44,309	47,263	49,410
10	12				42,545	45,642	47,854	45,707	48,708	50,921
11	13					47,123	49,401	47,154	50,189	52,467
12	14					48,611	51,006	48,644	51,775	54,073
13	15					49,876	52,333	49,908	53,121	55,479
14	16 or More					50,873	53,379	50,906	54,183	56,588

15 (b) As used in this subsection, the column headings "BA+(N)" refer
16 to the number of credits earned since receiving the baccalaureate
17 degree.

18 (c) For credits earned after the baccalaureate degree but before
19 the masters degree, any credits in excess of forty-five credits may be
20 counted after the masters degree. Thus, as used in this subsection,
21 the column headings "MA+(N)" refer to the total of:

- 22 (i) Credits earned since receiving the masters degree; and
- 23 (ii) Any credits in excess of forty-five credits that were earned
24 after the baccalaureate degree but before the masters degree.

25 (5) For the purposes of this section:

26 (a) "BA" means a baccalaureate degree.

27 (b) "MA" means a masters degree.

28 (c) "PHD" means a doctorate degree.

29 (d) "Years of service" shall be calculated under the same rules
30 adopted by the superintendent of public instruction.

31 (e) "Credits" means college quarter hour credits and equivalent in-
32 service credits computed in accordance with RCW 28A.415.020 and
33 28A.415.023.

34 (6) No more than ninety college quarter-hour credits received by
35 any employee after the baccalaureate degree may be used to determine
36 compensation allocations under the state salary allocation schedule and

1 LEAP documents referenced in this act, or any replacement schedules and
2 documents, unless:

3 (a) The employee has a masters degree; or

4 (b) The credits were used in generating state salary allocations
5 before January 1, 1992.

6 (7) The certificated instructional staff base salary specified for
7 each district in LEAP Document 12E and the salary schedules in
8 subsection (4)(a) of this section include two learning improvement
9 days. A school district is eligible for the learning improvement day
10 funds only if the learning improvement days have been added to the 180-
11 day contract year. If fewer days are added, the additional learning
12 improvement allocation shall be adjusted accordingly. The additional
13 days shall be for activities related to improving student learning
14 consistent with education reform implementation, and shall not be
15 considered part of basic education. The length of a learning
16 improvement day shall not be less than the length of a full day under
17 the base contract. The superintendent of public instruction shall
18 ensure that school districts adhere to the intent and purposes of this
19 subsection.

20 (8) The salary allocation schedules established in this section are
21 for allocation purposes only except as provided in RCW 28A.400.200(2),
22 subsection (7) of this section, and section 504(1) of this act.

23 NEW SECTION. **Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC**
24 **INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

25	General Fund--State Appropriation (FY 2004)	\$28,511,000
26	General Fund--State Appropriation (FY 2005)	\$116,670,000
27	General Fund--Federal Appropriation	\$559,000
28	TOTAL APPROPRIATION	\$145,740,000

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

31 (1) \$8,913,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$20,238,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely to provide a salary adjustment for
34 state formula certificated instructional staff units in their first
35 seven years of service. Consistent with the statewide certificated
36 instructional staff salary allocation schedule in section 503 of this

1 act, sufficient funding is provided to increase the salary of
2 certificated instructional staff units in the 2003-04 school year and
3 the 2004-05 school year by the following percentages: Three percent
4 for certificated instructional staff in their first and second years of
5 service; two and one-half percent for certificated instructional staff
6 in their third year of service; one and one-half percent for
7 certificated instructional staff in their fourth year of service; one
8 percent for certificated instructional staff in their fifth year of
9 service; and one-half of a percent for certificated instructional staff
10 in their sixth and seventh years of service. These increases will take
11 effect September 1, 2003 and September 1, 2004.

12 (a) In order to receive funding provided in this subsection, school
13 districts shall certify to the office of superintendent of public
14 instruction that they will provide the percentage increases in the
15 amounts specified in this subsection. In cases where a school district
16 providing the increases in the amounts specified in this subsection
17 would cause that school district to be out of compliance with RCW
18 28A.400.200, they may provide salary increases in different amounts but
19 only to the extent necessary to come into compliance with RCW
20 28A.400.200. Funds provided in this subsection shall be used
21 exclusively for providing the percentage increases specified in this
22 subsection to the certificated staff units in their first seven years
23 of service and shall not be used to supplant any other state or local
24 funding for compensation for these staff.

25 (b) The appropriations include associated incremental fringe
26 benefit allocations at rates of 9.04 percent for school year 2003-04
27 and 9.04 percent for school year 2004-05 for certificated staff.
28 Increases for general apportionment (basic education) are based on the
29 salary allocation schedules and methodology in sections 502 and 503 of
30 this act. Increases for special education result from increases in
31 each district's basic education allocation per student. Increases for
32 educational service districts and institutional education programs are
33 determined by the superintendent of public instruction using the
34 methodology for general apportionment salaries and benefits in sections
35 502 and 503 of this act.

36 (2) The appropriations in this section provide salary adjustments

1 and incremental fringe benefit allocations based on formula adjustments
 2 as follows:

	School Year	
	2003-04	2004-05
5 Highly Capable (per formula student)	\$0.93	\$1.89
6 Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
7 Learning Assistance (per entitlement unit)	\$0.69	\$1.40

8 (3) \$116,483,000 is provided for adjustments to insurance benefit
 9 allocations. The maintenance rate for insurance benefit allocations is
 10 \$457.07 per month for the 2003-04 and 2004-05 school years. The
 11 appropriations in this section provide for a rate increase to \$481.31
 12 per month for the 2003-04 school year and \$570.74 per month for the
 13 2004-05 school year at the following rates:

	School Year	
	2003-04	2004-05
16 Pupil Transportation (per weighted pupil mile)	\$0.22	\$1.03
17 Highly Capable (per formula student)	\$1.52	\$7.00
18 Transitional Bilingual Education (per eligible bilingual student)	\$3.92	\$18.40
19 Learning Assistance (per entitlement unit)	\$3.08	\$14.46

20 (4) The rates specified in this section are subject to revision
 21 each year by the legislature.

22 **NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC**
 23 **INSTRUCTION--FOR PUPIL TRANSPORTATION**

24 General Fund--State Appropriation (FY 2004)	\$201,638,000
25 General Fund--State Appropriation (FY 2005)	\$210,279,000
26 TOTAL APPROPRIATION	\$411,917,000

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

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

1 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
2 and a maximum of \$782,000 of the fiscal year 2005 appropriation may be
3 expended for regional transportation coordinators and related
4 activities. The transportation coordinators shall ensure that data
5 submitted by school districts for state transportation funding shall,
6 to the greatest extent practical, reflect the actual transportation
7 activity of each district.

8 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
9 fiscal year 2005 appropriation are provided solely for the
10 transportation of students enrolled in "choice" programs.
11 Transportation shall be limited to low-income students who are
12 transferring to "choice" programs solely for educational reasons.

13 (4) Allocations for transportation of students shall be based on
14 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school
15 year and \$39.43 per weighted mile in the 2004-05 school year exclusive
16 of salary and benefit adjustments provided in section 504 of this act.
17 Allocations for transportation of students transported more than one
18 radius mile shall be based on weighted miles as determined by
19 superintendent of public instruction multiplied by the per mile
20 reimbursement rates for the school year pursuant to the formulas
21 adopted by the superintendent of public instruction. Allocations for
22 transportation of students living within one radius mile shall be based
23 on the number of enrolled students in grades kindergarten through five
24 living within one radius mile of their assigned school multiplied by
25 the per mile reimbursement rate for the school year multiplied by 1.29.

26 (5) Beginning with busses purchased on or after July 1, 2003, the
27 office of superintendent of public instruction shall provide
28 reimbursement funding to a school district only after the
29 superintendent of public instruction determines that the school bus was
30 purchased from the list established pursuant to RCW 28A.160.195(2) or
31 a comparable competitive bid process based on the lowest price quote
32 based on similar bus categories to those used to establish the list
33 pursuant to RCW 28A.160.195. The competitive specifications shall meet
34 federal motor vehicle safety standards, minimum state specifications as
35 established by rule by the superintendent, and supported options as
36 determined by the superintendent in consultation with the regional
37 transportation coordinators of the educational service districts.

1 NEW SECTION. **Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC**
2 **INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS**

3	General Fund--State Appropriation (FY 2004)	\$3,100,000
4	General Fund--State Appropriation (FY 2005)	\$3,100,000
5	General Fund--Federal Appropriation	\$272,069,000
6	TOTAL APPROPRIATION	\$278,269,000

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

9 (1) \$3,000,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$3,000,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided for state matching money for federal
12 child nutrition programs.

13 (2) \$100,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
15 provided for summer food programs for children in low-income areas.

16 NEW SECTION. **Sec. 507. FOR THE SUPERINTENDENT OF PUBLIC**
17 **INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS**

18	General Fund--State Appropriation (FY 2004)	\$433,984,000
19	General Fund--State Appropriation (FY 2005)	\$427,214,000
20	General Fund--Federal Appropriation	\$409,637,000
21	TOTAL APPROPRIATION	\$1,270,835,000

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

24 (1) Funding for special education programs is provided on an excess
25 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
26 that special education students as a class receive their full share of
27 the general apportionment allocation accruing through sections 502 and
28 504 of this act. To the extent a school district cannot provide an
29 appropriate education for special education students under chapter
30 28A.155 RCW through the general apportionment allocation, it shall
31 provide services through the special education excess cost allocation
32 funded in this section.

33 (2)(a) The superintendent of public instruction shall use the
34 excess cost methodology developed and implemented for the 2001-02
35 school year using the S-275 personnel reporting system and all related
36 accounting requirements to ensure that:

1 (i) Special education students are basic education students first;
2 (ii) As a class, special education students are entitled to the
3 full basic education allocation; and
4 (iii) Special education students are basic education students for
5 the entire school day.

6 (b) The S-275 and accounting changes in effect since the 2001-02
7 school year shall supercede any prior excess cost methodologies and
8 shall be required of all school districts.

9 (3) Each fiscal year appropriation includes such funds as are
10 necessary to complete the school year ending in the fiscal year and for
11 prior fiscal year adjustments.

12 (4) The superintendent of public instruction shall distribute state
13 and federal funds to school districts based on two categories: The
14 optional birth through age two program for special education eligible
15 developmentally delayed infants and toddlers, and the mandatory special
16 education program for special education eligible students ages three to
17 twenty-one. A "special education eligible student" means a student
18 receiving specially designed instruction in accordance with a properly
19 formulated individualized education program.

20 (5)(a) For the 2003-04 and 2004-05 school years, the superintendent
21 shall make allocations to each district based on the sum of:

22 (i) A district's annual average headcount enrollment of
23 developmentally delayed infants and toddlers ages birth through two,
24 multiplied by the district's average basic education allocation per
25 full-time equivalent student, multiplied by 1.15; and

26 (ii) A district's annual average full-time equivalent basic
27 education enrollment multiplied by the funded enrollment percent
28 determined pursuant to subsection (6)(b) of this section, multiplied by
29 the district's average basic education allocation per full-time
30 equivalent student multiplied by 0.9309.

31 (b) For purposes of this subsection, "average basic education
32 allocation per full-time equivalent student" for a district shall be
33 based on the staffing ratios required by RCW 28A.150.260 and shall not
34 include enhancements, secondary vocational education, or small schools.

35 (6) The definitions in this subsection apply throughout this
36 section.

1 (a) "Annual average full-time equivalent basic education
2 enrollment" means the resident enrollment including students enrolled
3 through choice (RCW 28A.225.225) and students from nonhigh districts
4 (RCW 28A.225.210) and excluding students residing in another district
5 enrolled as part of an interdistrict cooperative program (RCW
6 28A.225.250).

7 (b) "Enrollment percent" means the district's resident special
8 education annual average enrollment, excluding the birth through age
9 two enrollment, as a percent of the district's annual average full-time
10 equivalent basic education enrollment.

11 Each district's general fund--state funded special education
12 enrollment shall be the lesser of the district's actual enrollment
13 percent or 12.7 percent. Increases in enrollment percent from 12.7
14 percent to 13.0 percent shall be funded from the general fund--federal
15 appropriation.

16 (7) At the request of any interdistrict cooperative of at least 15
17 districts in which all excess cost services for special education
18 students of the districts are provided by the cooperative, the maximum
19 enrollment percent shall be calculated in accordance with subsection
20 (6)(b) of this section, and shall be calculated in the aggregate rather
21 than individual district units. For purposes of this subsection, the
22 average basic education allocation per full-time equivalent student
23 shall be calculated in the aggregate rather than individual district
24 units.

25 (8) To the extent necessary, \$25,746,000 of the general fund--
26 federal appropriation is provided for safety net awards for districts
27 with demonstrated needs for state special education funding beyond the
28 amounts provided in subsection (5) of this section. If safety net
29 awards exceed the amount appropriated in this subsection (8), the
30 superintendent shall expend all available federal discretionary funds
31 necessary to meet this need. Safety net funds shall be awarded by the
32 state safety net oversight committee subject to the following
33 conditions and limitations:

34 (a) The committee shall consider unmet needs for districts that can
35 convincingly demonstrate that all legitimate expenditures for special
36 education exceed all available revenues from state funding formulas.
37 In the determination of need, the committee shall also consider

1 additional available revenues from federal and local sources.
2 Differences in program costs attributable to district philosophy,
3 service delivery choice, or accounting practices are not a legitimate
4 basis for safety net awards.

5 (b) The committee shall then consider the extraordinary high cost
6 needs of one or more individual special education students.
7 Differences in costs attributable to district philosophy, service
8 delivery choice, or accounting practices are not a legitimate basis for
9 safety net awards.

10 (c) The maximum allowable indirect cost for calculating safety net
11 eligibility may not exceed the federal restricted indirect cost rate
12 for the district plus one percent.

13 (d) Safety net awards shall be adjusted based on the percent of
14 potential medicaid eligible students billed as calculated by the
15 superintendent in accordance with chapter 318, Laws of 1999.

16 (e) Safety net awards must be adjusted for any audit findings or
17 exceptions related to special education funding.

18 (9) The superintendent of public instruction may adopt such rules
19 and procedures as are necessary to administer the special education
20 funding and safety net award process. Prior to revising any standards,
21 procedures, or rules, the superintendent shall consult with the office
22 of financial management and the fiscal committees of the legislature.

23 (10) The safety net oversight committee appointed by the
24 superintendent of public instruction shall consist of:

25 (a) One staff from the office of superintendent of public
26 instruction;

27 (b) Staff of the office of the state auditor; and

28 (c) One or more representatives from school districts or
29 educational service districts knowledgeable of special education
30 programs and funding.

31 (11) A maximum of \$678,000 may be expended from the general fund--
32 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
33 full-time equivalent aides at children's orthopedic hospital and
34 medical center. This amount is in lieu of money provided through the
35 home and hospital allocation and the special education program.

36 (12) \$1,000,000 of the general fund--federal appropriation is
37 provided for projects to provide special education students with

1 appropriate job and independent living skills, including work
2 experience where possible, to facilitate their successful transition
3 out of the public school system. The funds provided by this subsection
4 shall be from federal discretionary grants.

5 (13) The superintendent shall maintain the percentage of federal
6 flow-through to school districts at 85 percent. In addition to other
7 purposes, school districts may use increased federal funds for high-
8 cost students, for purchasing regional special education services from
9 educational service districts, and for staff development activities
10 particularly relating to inclusion issues.

11 (14) A maximum of \$1,200,000 of the general fund--federal
12 appropriation may be expended by the superintendent for projects
13 related to use of inclusion strategies by school districts for
14 provision of special education services. The superintendent shall
15 prepare an information database on laws, best practices, examples of
16 programs, and recommended resources. The information may be
17 disseminated in a variety of ways, including workshops and other staff
18 development activities.

19 (15) A school district may carry over from one year to the next
20 year up to 10 percent of general fund--state funds allocated under this
21 program; however, carry over funds shall be expended in the special
22 education program.

23 NEW SECTION. **Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC**
24 **INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS**

25	General Fund--State Appropriation (FY 2004)	\$3,538,000
26	General Fund--State Appropriation (FY 2005)	\$3,537,000
27	TOTAL APPROPRIATION	\$7,075,000

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

30 (1) The educational service districts shall continue to furnish
31 financial services required by the superintendent of public instruction
32 and RCW 28A.310.190 (3) and (4).

33 (2) The educational service districts, at the request of the state
34 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
35 receive and screen applications for school accreditation, conduct
36 school accreditation site visits pursuant to state board of education

1 rules, and submit to the state board of education post-site visit
2 recommendations for school accreditation. The educational service
3 districts may assess a cooperative service fee to recover actual plus
4 reasonable indirect costs for the purposes of this subsection.

5 NEW SECTION. **Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC**
6 **INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE**

7	General Fund--State Appropriation (FY 2004)	\$162,236,000
8	General Fund--State Appropriation (FY 2005)	\$167,073,000
9	TOTAL APPROPRIATION	\$329,309,000

10 NEW SECTION. **Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC**
11 **INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS**

12	General Fund--State Appropriation (FY 2004)	\$18,596,000
13	General Fund--State Appropriation (FY 2005)	\$19,092,000
14	TOTAL APPROPRIATION	\$37,688,000

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

17 (1) Each general fund--state fiscal year appropriation includes
18 such funds as are necessary to complete the school year ending in the
19 fiscal year and for prior fiscal year adjustments.

20 (2) State funding provided under this section is based on salaries
21 and other expenditures for a 220-day school year. The superintendent
22 of public instruction shall monitor school district expenditure plans
23 for institutional education programs to ensure that districts plan for
24 a full-time summer program.

25 (3) State funding for each institutional education program shall be
26 based on the institution's annual average full-time equivalent student
27 enrollment. Staffing ratios for each category of institution shall
28 remain the same as those funded in the 1995-97 biennium.

29 (4) The funded staffing ratios for education programs for juveniles
30 age 18 or less in department of corrections facilities shall be the
31 same as those provided in the 1997-99 biennium.

32 (5) \$279,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$286,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely to maintain at least one
35 certificated instructional staff and related support services at an

1 institution whenever the K-12 enrollment is not sufficient to support
2 one full-time equivalent certificated instructional staff to furnish
3 the educational program. The following types of institutions are
4 included: Residential programs under the department of social and
5 health services for developmentally disabled juveniles, programs for
6 juveniles under the department of corrections, and programs for
7 juveniles under the juvenile rehabilitation administration.

8 (6) Ten percent of the funds allocated for each institution may be
9 carried over from one year to the next.

10 NEW SECTION. **Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC**
11 **INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

12	General Fund--State Appropriation (FY 2004)	\$6,597,000
13	General Fund--State Appropriation (FY 2005)	\$6,614,000
14	TOTAL APPROPRIATION	\$13,211,000

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

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

20 (2) Allocations for school district programs for highly capable
21 students shall be distributed at a maximum rate of \$334.89 per funded
22 student for the 2003-04 school year and \$334.89 per funded student for
23 the 2004-05 school year, exclusive of salary and benefit adjustments
24 pursuant to section 504 of this act. The number of funded students
25 shall be a maximum of two percent of each district's full-time
26 equivalent basic education enrollment.

27 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
28 the fiscal year 2005 appropriation are provided for the centrum program
29 at Fort Worden state park.

30 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
31 the fiscal year 2005 appropriation are provided for the Washington
32 destination imagination network and future problem-solving programs.

33 NEW SECTION. **Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC**
34 **INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND**

1 **SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT**
2 General Fund--Federal Appropriation \$46,198,000

3 NEW SECTION. **Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC**
4 **INSTRUCTION--EDUCATION REFORM PROGRAMS**

5 General Fund--State Appropriation (FY 2004) \$39,107,000
6 General Fund--State Appropriation (FY 2005) \$36,501,000
7 General Fund--Federal Appropriation \$128,402,000
8 TOTAL APPROPRIATION \$204,010,000

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

11 (1) \$310,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$310,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for the academic achievement and
14 accountability commission.

15 (2) \$16,050,000 of the general fund--state appropriation for fiscal
16 year 2004, \$12,511,000 of the general fund--state appropriation for
17 fiscal year 2005, and \$15,455,000 of the general fund--federal
18 appropriation are provided solely for development and implementation of
19 the Washington assessments of student learning. Of the general fund--
20 state amounts provided:

21 (a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005
22 are for providing high school students who are not successful in one or
23 more content areas of the Washington assessment of student learning the
24 opportunity to retake the test and \$75,000 of the fiscal year 2004
25 appropriation is provided for developing alternative assessments as
26 provided in Engrossed Substitute House Bill No. 2195 (state academic
27 standards). If Engrossed Substitute House Bill No. 2195 is not enacted
28 by June 30, 2003, the amounts in this subsection (a) shall lapse.

29 (b) \$300,000 in fiscal year 2004 is for independent research on the
30 alignment and technical review of the reading, writing, and science
31 content areas of the Washington assessment of student learning, as
32 provided by Engrossed Substitute House Bill No. 2195 (state academic
33 standards). If Engrossed Substitute House Bill No. 2195 is not enacted
34 by June 30, 2003, the amount in this subsection (b) shall lapse.

35 (3) \$548,000 of the fiscal year 2004 general fund--state
36 appropriation and \$548,000 of the fiscal year 2005 general fund--state

1 appropriation are provided solely for training of paraprofessional
2 classroom assistants and certificated staff who work with classroom
3 assistants as provided in RCW 28A.415.310.

4 (4) \$2,348,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,348,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for mentor teacher assistance,
7 including state support activities, under RCW 28A.415.250 and
8 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
9 this subsection may be used each fiscal year to operate a mentor
10 academy to help districts provide effective training for peer mentors.
11 Funds for the teacher assistance program shall be allocated to school
12 districts based on the number of first year beginning teachers.

13 (a) A teacher assistance program is a program that provides to a
14 first year beginning teacher peer mentor services that include but are
15 not limited to:

16 (i) An orientation process and individualized assistance to help
17 beginning teachers who have been hired prior to the start of the school
18 year prepare for the start of a school year;

19 (ii) The assignment of a peer mentor whose responsibilities to the
20 beginning teacher include but are not limited to constructive feedback,
21 the modeling of instructional strategies, and frequent meetings and
22 other forms of contact;

23 (iii) The provision by peer mentors of strategies, training, and
24 guidance in critical areas such as classroom management, student
25 discipline, curriculum management, instructional skill, assessment,
26 communication skills, and professional conduct. A district may provide
27 these components through a variety of means including one-on-one
28 contact and workshops offered by peer mentors to groups, including
29 cohort groups, of beginning teachers;

30 (iv) The provision of release time, substitutes, mentor training in
31 observation techniques, and other measures for both peer mentors and
32 beginning teachers, to allow each an adequate amount of time to observe
33 the other and to provide the classroom experience that each needs to
34 work together effectively;

35 (v) Assistance in the incorporation of the essential academic
36 learning requirements into instructional plans and in the development

1 of complex teaching strategies, including strategies to raise the
2 achievement of students with diverse learning styles and backgrounds;
3 and

4 (vi) Guidance and assistance in the development and implementation
5 of a professional growth plan. The plan shall include a professional
6 self-evaluation component and one or more informal performance
7 assessments. A peer mentor may not be involved in any evaluation under
8 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
9 assisted through this program.

10 (b) In addition to the services provided in (a) of this subsection,
11 an eligible peer mentor program shall include but is not limited to the
12 following components:

13 (i) Strong collaboration among the peer mentor, the beginning
14 teacher's principal, and the beginning teacher;

15 (ii) Stipends for peer mentors and, at the option of a district,
16 for beginning teachers. The stipends shall not be deemed compensation
17 for the purposes of salary lid compliance under RCW 28A.400.200 and are
18 not subject to the continuing contract provisions of Title 28A RCW; and

19 (iii) To the extent that resources are available for this purpose
20 and that assistance to beginning teachers is not adversely impacted,
21 the program may serve second year and more experienced teachers who
22 request the assistance of peer mentors.

23 (5) \$1,959,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$1,959,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for improving technology
26 infrastructure, monitoring and reporting on school district technology
27 development, promoting standards for school district technology,
28 promoting statewide coordination and planning for technology
29 development, and providing regional educational technology support
30 centers, including state support activities, under chapter 28A.650 RCW.
31 The superintendent of public instruction shall coordinate a process to
32 facilitate the evaluation and provision of online curriculum courses to
33 school districts which includes the following: Creation of a general
34 listing of the types of available online curriculum courses; a survey
35 conducted by each regional educational technology support center of
36 school districts in its region regarding the types of online curriculum
37 courses desired by school districts; a process to evaluate and

1 recommend to school districts the best online courses in terms of
2 curriculum, student performance, and cost; and assistance to school
3 districts in procuring and providing the courses to students.

4 (6) \$3,594,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$3,594,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for grants to school districts to
7 provide a continuum of care for children and families to help children
8 become ready to learn. Grant proposals from school districts shall
9 contain local plans designed collaboratively with community service
10 providers. If a continuum of care program exists in the area in which
11 the school district is located, the local plan shall provide for
12 coordination with existing programs to the greatest extent possible.
13 Grant funds shall be allocated pursuant to RCW 70.190.040.

14 (7) \$2,500,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$2,500,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for the meals for kids program
17 under RCW 28A.235.145 through 28A.235.155.

18 (8) \$705,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$705,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the leadership internship
21 program for superintendents, principals, and program administrators.

22 (9) A maximum of \$250,000 of the general fund--state appropriation
23 for fiscal year 2004 and a maximum of \$250,000 of the general fund--
24 state appropriation for fiscal year 2005 are provided for summer
25 accountability institutes offered by the superintendent of public
26 instruction and the academic achievement and accountability commission.
27 The institutes shall provide school district staff with training in the
28 analysis of student assessment data, information regarding successful
29 district and school teaching models, research on curriculum and
30 instruction, and planning tools for districts to improve instruction in
31 reading, mathematics, language arts, and guidance and counseling.

32 (10) \$3,713,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$3,713,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the Washington reading corps
35 subject to the following conditions and limitations:

36 (a) Grants shall be allocated to schools and school districts to
37 implement proven, research-based mentoring and tutoring programs in

1 reading that may include research-based reading skills development
2 software for low-performing students in grades K-6. If the grant is
3 made to a school district, the principals of schools enrolling targeted
4 students shall be consulted concerning design and implementation of the
5 program.

6 (b) The programs may be implemented before, after, or during the
7 regular school day, or on Saturdays, summer, intercessions, or other
8 vacation periods.

9 (c) Two or more schools may combine their Washington reading corps
10 programs.

11 (d) A program is eligible for a grant if it meets the following
12 conditions:

13 (i) The program employs methods of teaching and student learning
14 based on reliable reading/literacy research and effective practices;

15 (ii) The program design is comprehensive and includes instruction,
16 on-going student assessment, professional development,
17 parental/community involvement, and program management aligned with the
18 school's reading curriculum;

19 (iii) It provides quality professional development and training for
20 teachers, staff, and volunteer mentors and tutors;

21 (iv) It has measurable goals for student reading aligned with the
22 essential academic learning requirements;

23 (v) It contains an evaluation component to determine the
24 effectiveness of the program; and

25 (vi) The program may include a software-based solution to increase
26 the student/tutor ratio to a minimum of 5:1. The selected software
27 program shall be scientifically researched-based.

28 (e) Funding priority shall be given to low-performing schools.

29 (f) Beginning and end-of-program testing data shall be available to
30 determine the effectiveness of funded programs and practices. Common
31 evaluative criteria across programs, such as grade-level improvements
32 shall be available for each reading corps program. The superintendent
33 of public instruction shall provide program evaluations to the governor
34 and the appropriate committees of the legislature. Administrative and
35 evaluation costs may be assessed from the annual appropriation for the
36 program.

1 (g) Grants provided under this section may be used by schools and
2 school districts for expenditures from September 2003 through August
3 31, 2005.

4 (11) \$1,564,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,497,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for salary bonuses for teachers
7 who attain certification by the national board for professional
8 teaching standards, subject to the following conditions and
9 limitations:

10 (a) Teachers who hold a valid certificate from the national board
11 during the 2003-04 or 2004-05 school years shall receive an annual
12 bonus not to exceed \$3,500 in each of these school years in which they
13 hold a national board certificate.

14 (b) The annual bonus shall be paid in a lump sum amount and shall
15 not be included in the definition of "earnable compensation" under RCW
16 41.32.010(10).

17 (12) \$313,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$313,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for a principal support program.
20 The office of the superintendent of public instruction may contract
21 with an independent organization to administer the program. The
22 program shall include: (a) Development of an individualized
23 professional growth plan for a new principal or principal candidate;
24 and (b) participation of a mentor principal who works over a period of
25 between one and three years with the new principal or principal
26 candidate to help him or her build the skills identified as critical to
27 the success of the professional growth plan.

28 (13) \$126,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$126,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided for the development and posting of web-
31 based instructional tools, assessment data, and other information that
32 assists schools and teachers implementing higher academic standards.

33 (14) \$3,046,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$3,046,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely to the office of the
36 superintendent of public instruction for focused assistance. The
37 office of the superintendent of public instruction shall conduct

1 educational audits of low-performing schools and enter into performance
2 agreements between school districts and the office to implement the
3 recommendations of the audit and the community. Each educational audit
4 shall include recommendations for best practices and ways to address
5 identified needs and shall be presented to the community in a public
6 meeting to seek input on ways to implement the audit and its
7 recommendations.

8 (15) \$1,764,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$1,764,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the mathematics helping corps
11 subject to the following conditions and limitations:

12 (a) In order to increase the availability and quality of technical
13 mathematics assistance statewide, the superintendent of public
14 instruction shall employ mathematics school improvement specialists to
15 provide assistance to schools and districts. The specialists shall be
16 hired by and work under the direction of a statewide school improvement
17 coordinator. The mathematics improvement specialists shall not be
18 permanent employees of the superintendent of public instruction.

19 (b) The school improvement specialists shall provide the following:

20 (i) Assistance to schools to disaggregate student performance data
21 and develop improvement plans based on those data;

22 (ii) Consultation with schools and districts concerning their
23 performance on the Washington assessment of student learning and other
24 assessments emphasizing the performance on the mathematics assessments;

25 (iii) Consultation concerning curricula that aligns with the
26 essential academic learning requirements emphasizing the academic
27 learning requirements for mathematics, the Washington assessment of
28 student learning, and meets the needs of diverse learners;

29 (iv) Assistance in the identification and implementation of
30 research-based instructional practices in mathematics;

31 (v) Staff training that emphasizes effective instructional
32 strategies and classroom-based assessment for mathematics;

33 (vi) Assistance in developing and implementing family and community
34 involvement programs emphasizing mathematics; and

35 (vii) Other assistance to schools and school districts intended to
36 improve student mathematics learning.

1 (16) \$87,901,000 of the general fund--federal appropriation is
2 provided for preparing, training, and recruiting high quality teachers
3 and principals under Title II of the no child left behind act.

4 (17) \$25,046,000 of the general fund--federal appropriation is
5 provided for the reading first program under Title I of the no child
6 left behind act.

7 NEW SECTION. **Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC**
8 **INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

9	General Fund--State Appropriation (FY 2004)	\$49,791,000
10	General Fund--State Appropriation (FY 2005)	\$52,062,000
11	General Fund--Federal Appropriation (FY 2005)	\$46,309,000
12	TOTAL APPROPRIATION	\$148,162,000

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

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

18 (2) The superintendent shall distribute a maximum of \$725.11 per
19 eligible bilingual student in the 2003-04 school year and \$725.11 in
20 the 2004-05 school year, exclusive of salary and benefit adjustments
21 provided in section 504 of this act.

22 (3) The superintendent may withhold up to \$700,000 in school year
23 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
24 eligible pupil rates in subsection (2) of this section accordingly, for
25 the central provision of assessments as provided in RCW 28A.180.090 (1)
26 and (2).

27 (4) \$70,000 of the amounts appropriated in this section are
28 provided solely to develop a system for the tracking of current and
29 former transitional bilingual program students.

30 (5) The general fund--federal appropriation in this section is
31 provided for migrant education under Title I Part C and English
32 language acquisition, and language enhancement grants under Title III
33 of the elementary and secondary education act.

34 NEW SECTION. **Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC**

1 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

2	General Fund--State Appropriation (FY 2004)	\$65,385,000
3	General Fund--State Appropriation (FY 2005)	\$64,051,000
4	General Fund--Federal Appropriation	\$307,178,000
5	TOTAL APPROPRIATION	\$436,614,000

6 (1) The general fund--state appropriations in this section are
7 subject to the following conditions and limitations:

8 (a) Each general fund--state fiscal year appropriation includes
9 such funds as are necessary to complete the school year ending in the
10 fiscal year and for prior fiscal year adjustments.

11 (b) Funding for school district learning assistance programs shall
12 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
13 04 school year and \$433.03 per funded unit for the 2004-05 school year
14 exclusive of salary and benefit adjustments provided under section 504
15 of this act.

16 (c) For purposes of this section, "test results" refers to the
17 district results from the norm-referenced test administered in the
18 specified grade level. The norm-referenced test results used for the
19 third and sixth grade calculations shall be consistent with the third
20 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

21 (d) A school district's general fund--state funded units shall be
22 the sum of the following:

23 (i) The district's full-time equivalent enrollment in grades K-6,
24 multiplied by the 5-year average 4th grade lowest quartile test results
25 as adjusted for funding purposes in the school years prior to 1999-
26 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
27 shall be phased into the 5-year average on a 1-year lag;

28 (ii) The district's full-time equivalent enrollment in grades 7-9,
29 multiplied by the 5-year average 8th grade lowest quartile test results
30 as adjusted for funding purposes in the school years prior to 1999-
31 2000, multiplied by 0.82. As the 6th grade test becomes available, it
32 shall be phased into the 5-year average for these grades on a 1-year
33 lag;

34 (iii) The district's full-time equivalent enrollment in grades 10-
35 11 multiplied by the 5-year average 11th grade lowest quartile test
36 results, multiplied by 0.82. As the 9th grade test becomes available,

1 it shall be phased into the 5-year average for these grades on a 1-year
2 lag;

3 (iv) If, in the prior school year, the district's percentage of
4 October headcount enrollment in grades K-12 eligible for free and
5 reduced price lunch exceeded the state average, subtract the state
6 average percentage of students eligible for free and reduced price
7 lunch from the district's percentage and multiply the result by the
8 district's K-12 annual average full-time equivalent enrollment for the
9 current school year multiplied by 22.3 percent; and

10 (v) In addition to amounts allocated under (d) of this subsection,
11 for school districts in which the effective Title I Part A (basic
12 program) increase is insufficient to cover the formula change in the
13 multiplier from .92 to .82, a state allocation shall be provided that,
14 when combined with the effective increase in federal Title I Part A
15 (basic program) funds from the 2001-02 school year, is sufficient to
16 cover this amount. The effective Title I Part A (basic program)
17 increase is the current school year federal Title I Part A (basic
18 program) allocation minus the 2001-02 school year federal Title I Part
19 A (basic program) allocation, after the 2001-02 Title I Part A
20 allocation has been inflated by three percent.

21 (2) The general fund--federal appropriation in this section is
22 provided for Title I Part A allocations of the no child left behind act
23 of 2001.

24 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
25 **INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM**

26	Student Achievement Fund--State	
27	Appropriation (FY 2004)	\$203,123,000
28	Student Achievement Fund--State	
29	Appropriation (FY 2005)	\$195,080,000
30	TOTAL APPROPRIATION	\$398,203,000

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

33 (1) Funding for school district student achievement programs shall
34 be allocated at a maximum rate of \$211.67 per FTE student for the 2003-
35 04 school year and \$254.00 per FTE student for the 2004-05 school year.
36 For the purposes of this section and in accordance with RCW 84.52.068,

1 FTE student refers to the annual average full-time equivalent
2 enrollment of the school district in grades kindergarten through twelve
3 for the prior school year.

4 (2) The appropriation is allocated for the following uses as
5 specified in RCW 28A.505.210:

6 (a) To reduce class size by hiring certificated elementary
7 classroom teachers in grades K-4 and paying nonemployee-related costs
8 associated with those new teachers;

9 (b) To make selected reductions in class size in grades 5-12, such
10 as small high school writing classes;

11 (c) To provide extended learning opportunities to improve student
12 academic achievement in grades K-12, including, but not limited to,
13 extended school year, extended school day, before-and-after-school
14 programs, special tutoring programs, weekend school programs, summer
15 school, and all-day kindergarten;

16 (d) To provide additional professional development for educators
17 including additional paid time for curriculum and lesson redesign and
18 alignment, training to ensure that instruction is aligned with state
19 standards and student needs, reimbursement for higher education costs
20 related to enhancing teaching skills and knowledge, and mentoring
21 programs to match teachers with skilled, master teachers. The funding
22 shall not be used for salary increases or additional compensation for
23 existing teaching duties, but may be used for extended year and
24 extended day teaching contracts;

25 (e) To provide early assistance for children who need
26 prekindergarten support in order to be successful in school; or

27 (f) To provide improvements or additions to school building
28 facilities which are directly related to the class size reductions and
29 extended learning opportunities under (a) through (c) of this
30 subsection (2).

31 (3) For the 2003-04 school year, the office of the superintendent
32 of public instruction shall distribute ten percent of the school year
33 allocation to districts each month for the months of September through
34 June. For the 2004-05 school year, the superintendent of public
35 instruction shall distribute the school year allocation according to
36 the monthly apportionment schedule defined in RCW 28A.510.250.

1 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
2 **ADJUSTMENTS.** State general fund appropriations provided to the
3 superintendent of public instruction for state entitlement programs in
4 the public schools in this part V of this act may be expended as needed
5 by the superintendent for adjustments to apportionment for prior fiscal
6 periods. Recoveries of state general fund moneys from school districts
7 and educational service districts for a prior fiscal period shall be
8 made as reductions in apportionment payments for the current fiscal
9 period and shall be shown as prior year adjustments on apportionment
10 reports for the current period. Such recoveries shall not be treated
11 as revenues to the state, but as a reduction in the amount expended
12 against the appropriation for the current fiscal period.

(End of part)

PART VI
HIGHER EDUCATION

1
2
3 NEW SECTION. **Sec. 601.** The appropriations in sections 603 through
4 609 of this act are subject to the following conditions and
5 limitations:

6 (1) "Institutions" means the institutions of higher education
7 receiving appropriations under sections 603 through 609 of this act.

8 (2)(a) The salary increases provided or referenced in this
9 subsection shall be the only allowable salary increases provided at
10 institutions of higher education, excluding increases associated with
11 normally occurring promotions and increases related to faculty and
12 professional staff retention, and excluding increases associated with
13 employees under the jurisdiction of chapter 41.56 RCW pursuant to the
14 provisions of RCW 28B.16.015 and 28B.50.874(1).

15 (b) For employees under the jurisdiction of chapter 41.56 RCW
16 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1), salary
17 increases will be in accordance with the applicable collective
18 bargaining agreement. However, an increase shall not be provided to
19 any classified employee whose salary is above the approved salary range
20 maximum for the class to which the employee's position is allocated.

21 (c) Each institution of higher education receiving appropriations
22 for salary increases under sections 604 through 609 of this act may
23 provide additional salary increases from other sources to instructional
24 and research faculty, exempt professional staff, academic
25 administrators, academic librarians, counselors, teaching and research
26 assistants, as classified by the office of financial management, and
27 all other nonclassified staff, but not including employees under RCW
28 28B.16.015. Any additional salary increase granted under the authority
29 of this subsection (2)(c) shall not be included in an institution's
30 salary base for future state funding. It is the intent of the
31 legislature that general fund--state support for an institution shall
32 not increase during the current or any future biennium as a result of
33 any salary increases authorized under this subsection (2)(c).

1 (d) The legislature, the office of financial management, and other
2 state agencies need consistent and accurate personnel data from
3 institutions of higher education for policy planning purposes.
4 Institutions of higher education shall report personnel data to the
5 department of personnel for inclusion in the department's data
6 warehouse. Uniform reporting procedures shall be established by the
7 department of personnel for use by the reporting institutions,
8 including provisions for common job classifications and common
9 definitions of full-time equivalent staff. Annual contract amounts,
10 number of contract months, and funding sources shall be consistently
11 reported for employees under contract.

12 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
13 full-time students at the state's institutions of higher education for
14 the 2003-04 and 2004-05 academic years, other than the summer term,
15 shall be adjusted by the governing boards of the state universities,
16 regional universities, The Evergreen State College, and the state board
17 for community and technical colleges. Tuition fees may be increased in
18 excess of the fiscal growth factor.

19 For the 2003-04 academic year, the governing boards of the state
20 universities, regional universities, The Evergreen State College, and
21 the state board for community and technical colleges may implement an
22 increase no greater than seven percent over tuition fees charged to
23 full-time resident undergraduate students for the 2002-03 academic
24 year.

25 For the 2004-05 academic year, the governing boards of the state
26 universities, regional universities, The Evergreen State College, and
27 the state board for community and technical colleges may implement an
28 increase no greater than seven percent over tuition fees charged to
29 full-time resident undergraduate students for the 2003-04 academic
30 year.

31 (4) For the 2003-05 biennium, the state board for community and
32 technical colleges may increase tuition fees differentially based on
33 student credit hour load at their discretion.

34 (5) For the 2003-05 biennium, the governing boards and the state
35 board may adjust full-time operating fees for factors that may include
36 time of day and day of week, as well as delivery method and campus, to
37 encourage full use of the state's educational facilities and resources.

1 (6) For the 2004-05 academic year, the legislature hereby lowers
2 the limit on total gross authorized operating fees revenue waived,
3 exempted, or reduced by state institutions of higher education pursuant
4 to RCW 28B.15.910 as follows:

- 5 (a) University of Washington, 20.48 percent
- 6 (b) Washington State University, 19.5 percent
- 7 (c) Eastern Washington University, 10.73 percent
- 8 (d) Central Washington University, 7.8 percent
- 9 (e) Western Washington University, 9.75 percent
- 10 (f) The Evergreen State College, 5.85 percent
- 11 (g) Community colleges as a whole, 33.6 percent.

12 Further, the governing boards and the state board are encouraged to
13 reduce waiver activity in recognition of the need to retain available
14 resources to preserve the educational quality of higher education
15 institutions. State general fund appropriations shall not be provided
16 to replace tuition and fee revenue foregone as a result of waivers
17 granted under authority of RCW 28B.15.915.

18 (7) In addition to waivers granted under the authority of RCW
19 28B.15.910, the governing boards and the state board may waive all or
20 a portion of operating fees for any student. State general fund
21 appropriations shall not be provided to replace tuition and fee revenue
22 foregone as a result of waivers granted under this subsection.

23 (8) Pursuant to RCW 43.135.055, institutions of higher education
24 receiving appropriations under sections 603 through 609 of this act are
25 authorized to increase summer term tuition in excess of the fiscal
26 growth factor during the 2003-05 biennium. Tuition levels increased
27 pursuant to this subsection shall not exceed the per credit hour rate
28 calculated from the academic year tuition levels adopted under this
29 act.

30 (9) Community colleges may increase services and activities fee
31 charges in excess of the fiscal growth factor up to the maximum level
32 authorized by the state board for community and technical colleges.

33 (10) Each institution receiving appropriations under sections 604
34 through 609 of this act shall submit a biennial plan to achieve
35 measurable and specific improvements each academic year as part of a
36 continuing effort to make meaningful and substantial progress towards
37 the achievement of long-term performance goals. The plans, to be

1 prepared at the direction of the higher education coordinating board,
2 shall be submitted by August 15, 2003. The higher education
3 coordinating board shall set biennial performance targets for each
4 institution and shall review actual achievements annually.
5 Institutions shall track their actual performance on the statewide
6 measures as well as faculty productivity, the goals and targets for
7 which may be unique to each institution. A report on progress towards
8 statewide and institution-specific goals, with recommendations for the
9 ensuing biennium, shall be submitted to the fiscal and higher education
10 committees of the legislature by November 15, 2005.

11 (11) The state board for community and technical colleges shall
12 develop a biennial plan to achieve measurable and specific improvements
13 each academic year as part of a continuing effort to make meaningful
14 and substantial progress to achieve long-term performance goals. The
15 board shall set biennial performance targets for each college or
16 district, where appropriate, and shall review actual achievements
17 annually. Colleges shall track their actual performance on the
18 statewide measures. A report on progress towards the statewide goals,
19 with recommendations for the ensuing biennium, shall be submitted to
20 the fiscal and higher education committees of the legislature by
21 November 15, 2005.

22 NEW SECTION. **Sec. 602.** (1) The appropriations in sections 603
23 through 610 of this act provide state general fund support for full-
24 time equivalent student enrollments at each institution of higher
25 education. Listed below are the annual full-time equivalent student
26 enrollments by institutions assumed in this act.

	2003-04	2004-05
	Annual	Annual
	Average	Average
27 University of Washington		
28		
29		
30		
31		
32 Main campus	32,427	32,427
33 Bothell branch	1,235	1,235
34 Tacoma branch	1,484	1,484
35		

1	Washington State University		
2			
3	Main campus	17,348	17,364
4	Spokane branch	593	593
5	Tri-Cities branch	616	616
6	Vancouver branch	1,153	1,153
7			
8	Central Washington University	7,666	7,666
9	Eastern Washington University	8,017	8,017
10	The Evergreen State College	3,837	3,837
11	Western Washington University	11,126	11,126
12	State Board for Community and Technical Colleges	126,070	126,070
13	Higher Education Coordinating Board	246	500

14 (2)(a) In addition to the annual full-time equivalent student
15 enrollments enumerated in this section, funding is provided in (i)
16 section 603 of this act for additional community or technical college
17 full-time equivalent student enrollments in high-demand fields of study
18 and (ii) section 722 of this act (special appropriations to the
19 governor) for additional full-time equivalent transfer student
20 enrollments with junior-class standing.

21 (b) For the state universities, the number of full-time equivalent
22 student enrollments enumerated in this section for the branch campuses
23 are the minimum required enrollment levels for those campuses. At the
24 start of an academic year, the governing board of a state university
25 may transfer full-time equivalent student enrollments from the main
26 campus to one or more branch campus. Intent notice shall be provided
27 to the office of financial management and reassignment of funded
28 enrollment is contingent upon satisfying data needs of the forecast
29 division who is responsible to track and monitor state-supported
30 college enrollment.

31 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**
32 **TECHNICAL COLLEGES**

33	General Fund--State Appropriation (FY 2004)	\$507,960,000
34	General Fund--State Appropriation (FY 2005)	\$517,854,000
35	Administrative Contingency Account--State	
36	Appropriation	\$3,200,000

1 TOTAL APPROPRIATION \$1,029,014,000

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

4 (1) The technical colleges may increase tuition and fees in excess
5 of the fiscal growth factor to conform with the percentage increase in
6 community college operating fees.

7 (2) \$1,250,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$1,250,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely to increase salaries and related
10 benefits for part-time faculty. The board shall report by January 30,
11 2004, to the office of financial management and legislative fiscal and
12 higher education committees on (a) the distribution of state funds; and
13 (b) wage adjustments for part-time faculty.

14 (3) \$1,250,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$1,250,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for faculty salary increments and
17 associated benefits and may be used in combination with salary and
18 benefit savings from faculty turnover to provide salary increments and
19 associated benefits.

20 (4) \$1,000,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,000,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided for a program to fund the start-up of new
23 community and technical college programs in rural counties as defined
24 under RCW 43.160.020(12) and in communities impacted by business
25 closures and job reductions. Successful proposals must respond to
26 local economic development strategies and must include a plan to
27 continue programs developed with this funding.

28 (5) \$675,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$675,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for allocation to Clark Community
31 College and Lower Columbia Community College to prepare a total of 168
32 full-time equivalent students for transfer to the engineering and
33 science institute at the Vancouver branch campus of Washington State
34 University. The appropriations in this section are intended to
35 supplement, not supplant, general enrollment allocations by the board
36 to districts named in this subsection.

1 (6) \$640,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$640,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for allocation to twelve college
4 districts identified in (a) through (l) of this subsection to prepare
5 students for transfer to the state technology institute at the Tacoma
6 branch campus of the University of Washington. The appropriations in
7 this section are intended to supplement, not supplant, general
8 enrollment allocations by the board to the districts under (a) through
9 (l) of this subsection:

- 10 (a) Bates Technical College;
- 11 (b) Bellevue Community College;
- 12 (c) Centralia Community College;
- 13 (d) Clover Park Community College;
- 14 (e) Grays Harbor Community College;
- 15 (f) Green River Community College;
- 16 (g) Highline Community College;
- 17 (h) Tacoma Community College;
- 18 (i) Olympic Community College;
- 19 (j) Pierce District;
- 20 (k) Seattle District; and
- 21 (l) South Puget Sound Community College.

22 (7) \$28,761,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$28,761,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely as special funds for training and
25 related support services, including financial aid, as specified in
26 chapter 226, Laws of 1993 (employment and training for unemployed
27 workers). Funding is provided to support up to 6,200 full-time
28 equivalent students in each fiscal year.

29 (8) \$1,000,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$1,000,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for tuition support for students
32 enrolled in work-based learning programs.

33 (9) \$2,950,000 of the administrative contingency account--state
34 appropriation is provided solely for administration and customized
35 training contracts through the job skills program, which shall be made
36 available broadly and not to the exclusion of private nonprofit
37 baccalaureate degree granting institutions or vocational arts career

1 schools operating in Washington state who partner with a firm,
2 hospital, group, or industry association concerned with commerce,
3 trade, manufacturing, or the provision of services to train current or
4 prospective employees. The state board shall make an annual report by
5 January 1 of each fiscal year to the governor and appropriate policy
6 and fiscal committees of the legislature regarding the implementation
7 of this section listing the scope of grant awards, the distribution of
8 funds by educational sector and region of the state, as well as
9 successful partnerships being supported by these state funds.

10 (10) \$250,000 of the administrative contingency account--state
11 appropriation is provided solely and on a one-time basis to start up a
12 college district consortium organized under the name "alliance for
13 corporate education." Financial operations shall be self-sustaining by
14 no later than June 30, 2005, after which time any amount remaining
15 unexpended from this amount shall lapse.

16 (11) \$50,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$50,000 of the general fund--state appropriation for
18 fiscal year 2005 are solely for higher education student child care
19 matching grants under chapter 28B.135 RCW.

20 (12) \$212,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$212,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided for allocation to Olympic college. The
23 college shall contract with accredited baccalaureate institution(s) to
24 bring a program of upper-division courses to Bremerton. The state
25 board for community and technical colleges shall report to the office
26 of financial management and the fiscal and higher education committees
27 of the legislature on the implementation of this subsection by December
28 1st of each fiscal year.

29 (13) \$6,304,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$6,305,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely to expand enrollment in high-
32 demand fields.

33 (a) High-demand fields means (i) health services, (ii) applied
34 science and engineering, (iii) viticulture and enology, and (iv)
35 expansion of worker retraining programs. The state board shall
36 allocate resources among the four areas specified in this subsection

1 and shall manage a competitive process for awarding resources for
2 health services, viticulture, enology, and applied science and
3 engineering programs.

4 (b) The state board shall provide information on the number of
5 additional headcount and full-time equivalent students enrolled in
6 high-demand fields by November 1 of each fiscal year to the office of
7 financial management and the fiscal and higher education committees of
8 the legislature.

9 (14) \$111,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$86,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to support the development of a
12 comprehensive viticulture (grape growing) and enology (wine making)
13 higher education program in Washington state. From these sums, the
14 state board shall allocate:

15 (a) \$75,000 a year to Walla Walla community college for its
16 associate science and associate arts degree programs for the purpose of
17 vineyard and wine-making equipment purchases, student labor,
18 instructional supplies, field work, and travel expenses;

19 (b) \$25,000 on a one-time basis to Wenatchee community college for
20 the purpose of adapting its orchard employee educational program; and

21 (c) \$22,000 on a one-time basis to Yakima Valley community college
22 for the purpose of vineyard and wine-making equipment and supply
23 purchases.

24 The college districts named in this subsection are encouraged to
25 seek a portion of the high-demand student enrollment funding made
26 available on a competitive basis through the state board to address
27 their respective need for additional instructors and professional
28 staff.

29 **NEW SECTION. Sec. 604. FOR THE UNIVERSITY OF WASHINGTON**

30	General Fund--State Appropriation (FY 2004)	\$311,628,000
31	General Fund--State Appropriation (FY 2005)	\$319,584,000
32	General Fund--Private/Local Appropriation	\$300,000
33	Death Investigations Account--State	
34	Appropriation	\$261,000
35	Accident Account--State Appropriation	\$5,937,000
36	Medical Aid Account--State Appropriation	\$5,960,000

1 TOTAL APPROPRIATION \$643,670,000

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

4 (1) \$1,875,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$1,875,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely to create a state resource for
7 technology education in the form of an institute located at the
8 University of Washington, Tacoma. The university will continue to
9 provide undergraduate and graduate degree programs meeting regional
10 technology needs including, but not limited to, computing and software
11 systems. As a condition of these appropriations:

12 (a) The university will work with the state board for community and
13 technical colleges, or individual colleges where necessary, to
14 establish articulation agreements in addition to the existing associate
15 of arts and associate of science transfer degrees. Such agreements
16 shall improve the transferability of students and in particular,
17 students with substantial applied information technology credits.

18 (b) The university will establish performance measures for
19 recruiting, retaining and graduating students, including nontraditional
20 students, and report back to the governor and legislature by September
21 2004 as to its progress and future steps.

22 (2) \$150,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$150,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for research faculty clusters in
25 the advanced technology initiative program.

26 (3) The entire death investigations account appropriation is
27 provided for the forensic pathologist fellowship program.

28 (4) \$150,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$150,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for the implementation of the
31 Puget Sound work plan and agency action item UW-01.

32 (5) \$75,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$75,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the Olympic natural resources
35 center.

36 (6) \$1,526,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$3,096,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for competitively offered
2 recruitment and retention salary adjustments for instructional and
3 research faculty, exempt professional staff, academic administrators,
4 academic librarians, counselors, teaching and research assistants, as
5 classified by the office of financial management, and all other
6 nonclassified staff, but not including employees under RCW 28B.16.015.
7 Tuition revenues may be expended in addition to those required by this
8 section to further provide recruitment and retention salary
9 adjustments.

10 (7) \$1,250,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$1,250,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for state match to attract or
13 retain federal research grants in high demand and technologically
14 advanced fields.

15 (8) \$300,000 of the general fund--private/local appropriation is
16 provided solely for shellfish biotoxin monitoring as specified in
17 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

18 NEW SECTION. **Sec. 605. FOR WASHINGTON STATE UNIVERSITY**

19	General Fund--State Appropriation (FY 2004)	\$185,265,000
20	General Fund--State Appropriation (FY 2005)	\$189,954,000
21	Washington State University Building Account--	
22	State Appropriation	\$150,000
23	TOTAL APPROPRIATION	\$375,369,000

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

26 (1) \$507,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$1,014,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely to expand the entering class of
29 veterinary medicine students by 16 full-time equivalent residents each
30 academic year during the 2003-05 biennium.

31 (2) \$657,000 of the general fund--state appropriation for fiscal
32 year 2004, \$180,000 of the general fund--state appropriation for fiscal
33 year 2005, and the entire Washington state university building account
34 appropriation are provided solely to support the development of a
35 comprehensive viticulture (grape growing) and enology (wine making)
36 higher education program in Washington state. In consideration of

1 these appropriations, the legislature intends to provide ongoing
2 support of not less than \$180,000 a year for extension field personnel
3 and services. The balance of the amount provided from the fiscal year
4 2004 appropriation is provided on a one-year basis to enable the
5 university to appoint jointly shared faculty between the Pullman main
6 campus and its branch campus in the TriCities. The legislature expects
7 the university to meet ongoing faculty, staff, and related expenses to
8 support the delivery of baccalaureate degree programs in viticulture
9 and enology by making a successful bid for a portion of high-demand
10 enrollment funding that will be distributed on a competitive basis by
11 the state higher education coordinating board for student instruction
12 pursuant to section 610(3) of this act.

13 (3) \$675,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$675,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for allocation in full to the
16 branch campus in Vancouver to create and operate a state institute for
17 engineering and science in partnership with Clark and Lower Columbia
18 community colleges and regional industry leaders in southwest
19 Washington. As a condition of this appropriation, the university shall
20 develop and provide to the satisfaction of the office of financial
21 management a business plan for the new institute. The university,
22 together with its two-year college and industry partners, shall provide
23 the governor, legislature, and state higher education coordinating
24 board with an annual summary of its progress to produce more graduates
25 trained in applied science technologies and engineering. Annual
26 reports to inform and advise policymakers of the partners' success,
27 emerging issues, and resource needs if any shall occur by no later than
28 November 15 during the 2003-05 biennium.

29 (4) \$150,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$150,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for research faculty clusters in
32 the advanced technology initiative program.

33 (5) \$165,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$166,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the implementation of the
36 Puget Sound work plan and agency action item WSU-01.

1 (6) \$949,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,927,000 of general fund--state appropriation for
3 fiscal year 2005 are provided solely for competitively offered
4 recruitment and retention salary adjustments for instructional and
5 research faculty, exempt professional staff, academic administrators,
6 academic librarians, counselors, teaching and research assistants, as
7 classified by the office of financial management, and all other
8 nonclassified staff, but not including employees under RCW 28B.16.015.
9 Tuition revenues may be expended in addition to those required by this
10 section to further provide recruitment and retention salary
11 adjustments.

12 NEW SECTION. **Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY**

13	General Fund--State Appropriation (FY 2004)	\$40,861,000
14	General Fund--State Appropriation (FY 2005)	\$42,183,000
15	TOTAL APPROPRIATION	\$83,044,000

16 The appropriations in this section are subject to the following
17 conditions and limitations: \$248,000 of the general fund--state
18 appropriation for fiscal year 2004 and \$503,000 of general fund--state
19 appropriation for fiscal year 2005 are provided solely for
20 competitively offered recruitment and retention salary adjustments for
21 instructional and research faculty, exempt professional staff, academic
22 administrators, academic librarians, counselors, teaching and research
23 assistants, as classified by the office of financial management, and
24 all other nonclassified staff, but not including employees under RCW
25 28B.16.015. Tuition revenues may be expended in addition to those
26 required by this section to further provide recruitment and retention
27 salary adjustments.

28 NEW SECTION. **Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

29	General Fund--State Appropriation (FY 2004)	\$39,765,000
30	General Fund--State Appropriation (FY 2005)	\$41,391,000
31	TOTAL APPROPRIATION	\$81,156,000

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

34 (1) \$1,050,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$1,050,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided to expand university enrollment by 196
3 full-time equivalent students.

4 (2) \$206,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$418,000 of general fund--state appropriation for fiscal
6 year 2005 are provided solely for competitively offered recruitment and
7 retention salary adjustments for instructional and research faculty,
8 exempt professional staff, academic administrators, academic
9 librarians, counselors, teaching and research assistants, as classified
10 by the office of financial management, and all other nonclassified
11 staff, but not including employees under RCW 28B.16.015. Tuition
12 revenues may be expended in addition to those required by this section
13 to further provide recruitment and retention salary adjustments.

14 **NEW SECTION. Sec. 608. FOR THE EVERGREEN STATE COLLEGE**

15	General Fund--State Appropriation (FY 2004)	\$22,881,000
16	General Fund--State Appropriation (FY 2005)	\$23,618,000
17	TOTAL APPROPRIATION	\$46,499,000

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

20 (1) \$124,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$252,000 of general fund--state appropriation for fiscal
22 year 2005 are provided solely for competitively offered recruitment and
23 retention salary adjustments for instructional and research faculty,
24 exempt professional staff, academic administrators, academic
25 librarians, counselors, teaching and research assistants, as classified
26 by the office of financial management, and all other nonclassified
27 staff, but not including employees under RCW 28B.16.015. Tuition
28 revenues may be expended in addition to those required by this section
29 to further provide recruitment and retention salary adjustments.

30 (2) The Washington state institute for public policy shall research
31 the following issues and provide reports to the legislature as
32 directed. The institute board shall prioritize and schedule all
33 studies based on staff capacity.

34 (a) \$110,000 of the general fund--state appropriation for fiscal
35 year 2004 is provided solely for the Washington state institute for
36 public policy to review research assessing the effectiveness of

1 prevention and early intervention programs concerning children and
2 youth, including but not limited to, programs designed to reduce the
3 at-risk behaviors for children and youth identified in RCW
4 70.190.010(4).

5 Using this research, the institute shall identify specific
6 research-proven programs that produce a positive return on the dollar
7 compared to the costs of the program. The institute shall also develop
8 criteria designed to ensure quality implementation and program fidelity
9 of research-proven programs in the state. The criteria shall include
10 measures for ongoing monitoring and continual improvement of treatment
11 delivery, and shall be feasible for inclusion in a contract for
12 services. The institute shall develop recommendations for potential
13 state legislation that encourages local government investment in
14 research-proven prevention and early intervention programs by
15 reimbursing local governments for a portion of the savings that accrue
16 to the state as the result of local investments in such programs. The
17 institute shall present a preliminary report of its findings to the
18 appropriate committees of the legislature by December 1, 2003, and
19 shall present a final report by March 1, 2004.

20 (b) \$26,000 of the general fund--state appropriation for fiscal
21 year 2004 is provided solely for the Washington state institute for
22 public policy to develop adherence and outcome standards for measuring
23 the effectiveness of treatment programs referred to in Chapter 378,
24 Laws of 2003 (ESSB 5903). The standards shall be developed and
25 presented to the governor and legislature by no later than January 1,
26 2004.

27 (c) \$100,000 of the general fund--state appropriation for fiscal
28 year 2004 is provided solely for the Washington state institute for
29 public policy to study the relationship between prison overcrowding and
30 construction, and the current state criminal sentencing structure.

31 (i) The institute shall determine whether any changes could be made
32 to the current state sentencing structure to address prison
33 overcrowding and the need for new prison construction, giving great
34 weight to the primary purposes of the criminal justice system. These
35 purposes include: Protecting community safety; making frugal use of
36 state and local government resources by concentrating resources on

1 violent offenders and sex offenders who pose the greatest risk to our
2 communities; achieving proportionality in sentencing; and reducing the
3 risk of reoffending by offenders in the community.

4 (ii) In developing its research plan, the institute may consult
5 with the sentencing guidelines commission, the caseload forecast
6 council, and interested stakeholders.

7 (iii) The institute for public policy shall present a preliminary
8 report of its findings to the governor and to the appropriate standing
9 committees of the legislature by December 15, 2003, and shall present
10 a final report regarding its findings and recommendations by March 15,
11 2004.

12 (d) \$12,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$12,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the Washington state institute
15 for public policy to examine the results of the changes in earned
16 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
17 determine whether the changes in earned release affect the rate of
18 recidivism or the type of offenses committed by persons whose release
19 dates were affected by the changes under the bill. The institute shall
20 report its findings to the governor and appropriate committees of the
21 legislature by no later than December 1, 2008.

22 (e) \$25,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$25,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the institute for public
25 policy to conduct the evaluation outlined in Substitute Senate Bill No.
26 5012 (charter schools). If the bill is not enacted by June 30, 2003,
27 the amounts provided in this subsection shall lapse.

28 NEW SECTION. **Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**

29	General Fund--State Appropriation (FY 2004)	\$53,645,000
30	General Fund--State Appropriation (FY 2005)	\$55,537,000
31	TOTAL APPROPRIATION	\$109,182,000

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

34 (1) \$980,400 of the general fund--state appropriation for fiscal
35 year 2004 and \$980,400 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the operations of the North
2 Snohomish, Island, Skagit (NSIS) higher education consortium.

3 (2) \$248,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$503,000 of general fund--state appropriation for fiscal
5 year 2005 are provided solely for competitively offered recruitment and
6 retention salary adjustments for instructional and research faculty,
7 exempt professional staff, academic administrators, academic
8 librarians, counselors, teaching and research assistants, as classified
9 by the office of financial management, and all other nonclassified
10 staff, but not including employees under RCW 28B.16.015. Tuition
11 revenues may be expended in addition to those required by this section
12 to further provide recruitment and retention salary adjustments.

13 NEW SECTION. **Sec. 610. FOR THE HIGHER EDUCATION COORDINATING**
14 **BOARD--POLICY COORDINATION AND ADMINISTRATION**

15	General Fund--State Appropriation (FY 2004)	\$4,952,000
16	General Fund--State Appropriation (FY 2005)	\$7,716,000
17	General Fund--Federal Appropriation	\$642,000
18	TOTAL APPROPRIATION	\$13,310,000

19 The appropriations in this section are provided to carry out the
20 policy coordination, planning, studies and administrative functions of
21 the board and are subject to the following conditions and limitations:

22 (1) Within the appropriations provided in this section, funds are
23 provided to continue the teacher training pilot program pursuant to
24 chapter 28B.80 RCW until standing authority for this program expires as
25 scheduled on January 1, 2005.

26 (2) \$175,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$175,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely to continue a demonstration
29 project to improve rural access to post-secondary education by bringing
30 distance learning technologies into Jefferson county.

31 (3) \$2,755,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$5,520,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely to contract for 246 full-time
34 equivalent students in high demand fields in fiscal year 2004 and an
35 additional 254 full-time equivalent students in high demand fields in
36 fiscal year 2005. High-demand fields are programs where enrollment

1 access is limited and employers are experiencing difficulty finding
2 qualified graduates to fill job openings. Of the amounts provided, up
3 to \$70,000 may be used for management of the competitive process for
4 awarding high-demand student FTEs during the 2003-05 biennium.

5 (a) The board will manage a competitive process for awarding high-
6 demand student FTEs. Public baccalaureate institutions are eligible to
7 apply for funding and may submit proposals that include cooperative
8 partnerships with private independent institutions.

9 (b) Among coequals, the board shall make it a priority to fund
10 proposals that prepare students for careers in (i) nursing and other
11 health services; (ii) applied science and engineering; (iii) teaching
12 and speech pathology; (iv) computing and information technology; and
13 (v) viticulture and enology, but not to the exclusion of compelling
14 proposals that document specific regional student and employer demand
15 in fields not listed in this subsection. Proposals and grant awards
16 will separately identify one-time, nonrecurring costs and ongoing
17 costs.

18 (c) The board will establish a proposal review committee that will
19 include, but not be limited to, representatives from the board, the
20 office of financial management, and economic development and labor
21 market analysts. The board will develop the request for proposals,
22 including the criteria for awarding grants, in consultation with the
23 proposal review committee.

24 (d) Baccalaureate institutions that receive grants shall provide
25 the board and the forecast division of the office of financial
26 management with data specified by the board or the office of financial
27 management that shows the impact of this subsection, particularly the
28 degree of improved access to high-demand programs for students and
29 successful job placements for graduates. The board will report on the
30 implementation of this subsection by November 1 of each fiscal year to
31 the office of financial management and the fiscal and higher education
32 committees of the legislature.

33 NEW SECTION. **Sec. 611. FOR THE HIGHER EDUCATION COORDINATING**
34 **BOARD--FINANCIAL AID AND GRANT PROGRAMS**

35	General Fund--State Appropriation (FY 2004)	\$145,217,000
36	General Fund--State Appropriation (FY 2005)	\$154,412,000

1 General Fund--Federal Appropriation \$7,530,000
2 TOTAL APPROPRIATION \$307,159,000

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

5 (1) \$259,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$273,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the western interstate
8 commission for higher education.

9 (2) \$1,100,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,100,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the health professional
12 conditional scholarship and loan program under chapter 28B.115 RCW.
13 This amount shall be deposited to the health professional loan
14 repayment and scholarship trust fund to carry out the purposes of the
15 program.

16 (3) \$75,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$75,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for higher education student child
19 care matching grants under chapter 28B.135 RCW.

20 (4) \$25,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$25,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the benefit of students who
23 participate in college assistance migrant programs (CAMP) operating in
24 Washington state. To ensure timely state aid, the board may establish
25 a date after which no additional grants would be available for the
26 2003-04 and 2004-05 academic years. The board shall disperse grants in
27 equal amounts to eligible post-secondary institutions so that state
28 money in all cases supplements federal CAMP awards.

29 (5) \$111,628,000 of the general fund--state appropriation for
30 fiscal year 2004 and \$120,420,000 of the general fund--state
31 appropriation for fiscal year 2005 are provided solely for the state
32 need grant program. After April 1 of each fiscal year, up to one
33 percent of the annual appropriation for the state need grant program
34 may be transferred to the state work study program.

35 (6) \$17,048,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$17,048,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for the state work study program.

1 After April 1 of each fiscal year, up to one percent of the annual
2 appropriation for the state work study program may be transferred to
3 the state need grant program. In addition to the administrative
4 allowance in subsection (12) of this section, four percent of the
5 general fund--state amount in this subsection may be expended for state
6 work study program administration.

7 (7) \$2,867,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$2,867,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for educational opportunity grants
10 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
11 deposit sufficient funds from its appropriation into the state
12 education trust fund as established in RCW 28B.10.821 to provide a one-
13 year renewal of the grant for each new recipient of the educational
14 opportunity grant award.

15 (8) \$1,919,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$2,155,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to implement the Washington
18 scholars program. Any Washington scholars program moneys not awarded
19 by April 1st of each year may be transferred by the board to the
20 Washington award for vocational excellence.

21 (9) \$794,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$845,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely to implement Washington award for
24 vocational excellence program. Any Washington award for vocational
25 program moneys not awarded by April 1st of each year may be transferred
26 by the board to the Washington scholars program.

27 (10) \$246,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$246,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for community scholarship matching
30 grants of \$2,000 each. To be eligible for the matching grant, a
31 nonprofit community organization organized under section 501(c)(3) of
32 the internal revenue code must demonstrate that it has raised \$2,000 in
33 new moneys for college scholarships after the effective date of this
34 act. An organization may receive more than one \$2,000 matching grant
35 and preference shall be given to organizations affiliated with the
36 citizens' scholarship foundation.

1 (11) Subject to state need grant service requirements pursuant to
2 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
3 appropriation for fiscal year 2004 and \$6,050,000 of the general fund--
4 state appropriation for fiscal year 2005 are provided solely for the
5 Washington promise scholarship program.

6 (12) \$2,667,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$2,768,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for financial aid administration,
9 in addition to the four percent cost allowance provision for state work
10 study under subsection (6) of this section. These funds are provided
11 to administer all the financial aid and grant programs assigned to the
12 board by the legislature and administered by the agency. To the extent
13 the executive director finds the agency will not require the full sum
14 provided in this subsection, a portion may be transferred to supplement
15 financial grants-in-aid to eligible clients after notifying the board
16 and the office of financial management of the intended transfer.

17 (13) \$539,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$540,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the displaced homemakers
20 program.

21 NEW SECTION. **Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**
22 **COORDINATING BOARD**

23	General Fund--State Appropriation (FY 2004)	\$1,662,000
24	General Fund--State Appropriation (FY 2005)	\$1,620,000
25	General Fund--Federal Appropriation	\$53,790,000
26	TOTAL APPROPRIATION	\$57,072,000

27 The appropriations in this section are subject to the following
28 conditions and limitations: \$485,000 of the general fund--state
29 appropriation for fiscal year 2004 and \$485,000 of the general fund--
30 state appropriation for fiscal year 2005 are provided solely for the
31 operations and development of the inland northwest technology education
32 center (INTEC) as a regional resource and model for the rapid
33 deployment of skilled workers trained in the latest technologies for
34 Washington. The board shall serve as an advisor to and fiscal agent
35 for INTEC, and will report back to the governor and legislature by

1 September 2004 as to the progress and future steps for INTEC as this
2 public-private partnership evolves.

3 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**
4 **AND TECHNOLOGY INSTITUTE**

5 General Fund--State Appropriation (FY 2004) \$1,403,000
6 General Fund--State Appropriation (FY 2005) \$1,419,000
7 TOTAL APPROPRIATION \$2,822,000

8 NEW SECTION. **Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION**

9 General Fund--State Appropriation (FY 2004) \$2,247,000
10 General Fund--State Appropriation (FY 2005) \$2,253,000
11 General Fund--Federal Appropriation \$1,026,000
12 TOTAL APPROPRIATION \$5,526,000

13 NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE HISTORICAL**
14 **SOCIETY**

15 General Fund--State Appropriation (FY 2004) \$2,400,000
16 General Fund--State Appropriation (FY 2005) \$2,467,000
17 TOTAL APPROPRIATION \$4,867,000

18 NEW SECTION. **Sec. 616. FOR THE EASTERN WASHINGTON STATE**
19 **HISTORICAL SOCIETY**

20 General Fund--State Appropriation (FY 2004) \$1,430,000
21 General Fund--State Appropriation (FY 2005) \$1,461,000
22 TOTAL APPROPRIATION \$2,891,000

23 NEW SECTION. **Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**

24 General Fund--State Appropriation (FY 2004) \$4,614,000
25 General Fund--State Appropriation (FY 2005) \$4,641,000
26 General Fund--Private/Local Appropriation \$1,335,000
27 TOTAL APPROPRIATION \$10,590,000

28 NEW SECTION. **Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF**

29 General Fund--State Appropriation (FY 2004) \$7,578,000
30 General Fund--State Appropriation (FY 2005) \$7,559,000

1	General Fund--Private/Local Appropriation	\$232,000
2	TOTAL APPROPRIATION	\$15,369,000

(End of part)

PART VII
SPECIAL APPROPRIATIONS

NEW SECTION. **Sec. 701. 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
General Fund--State Appropriation (FY 2005)	\$626,814,000
Debt-Limit General Fund Bond Retirement Account--	
State Appropriation	\$10,000,000
State Building Construction Account--State	
Appropriation	\$7,014,000
Debt-Limit Reimbursable Bond Retirement Account--	
State Appropriation	\$2,587,000
State Taxable Building Construction Account--	
State Appropriation	\$322,000
TOTAL APPROPRIATION	\$1,216,923,000

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.

NEW SECTION. **Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES**

State Convention and Trade Center Account--	
State Appropriation	\$29,014,000
Accident Account--State Appropriation	\$5,113,000
Medical Aid Account--State Appropriation	\$5,113,000
TOTAL APPROPRIATION	\$39,240,000

NEW SECTION. **Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**

1	GENERAL OBLIGATION DEBT TO BE 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	Higher Education Construction Account--State	
7	Appropriation	\$238,000
8	State Vehicle Parking Account--State	
9	Appropriation	\$102,000
10	Nondebt-Limit Reimbursable Bond Retirement Account--	
11	State Appropriation	\$128,375,000
12	TOTAL APPROPRIATION	\$180,213,000

13 The appropriations in this section are subject to the following
14 conditions and limitations: The general fund appropriation is for
15 deposit into the nondebt-limit general fund bond retirement account.

16 NEW SECTION. **Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT**
17 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
18 **BOND SALE EXPENSES**

19	General Fund--State Appropriation (FY 2004)	\$526,000
20	General Fund--State Appropriation (FY 2005)	\$526,000
21	Higher Education Construction Account--State	
22	Appropriation	\$35,000
23	State Building Construction Account--State	
24	Appropriation	\$2,032,000
25	State Vehicle Parking Account--State	
26	Appropriation	\$17,000
27	Capitol Historic District Construction	
28	Account--State Appropriation	\$45,000
29	State Taxable Building Construction Account--	
30	State Appropriation	\$50,000
31	TOTAL APPROPRIATION	\$3,231,000

32 NEW SECTION. **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
33 **FIRE CONTINGENCY POOL.** The sum of \$4,000,000 is appropriated from the
34 disaster response account for the purpose of making allocations to the

1 Washington state patrol for fire mobilizations costs or to the
2 department of natural resources for fire suppression costs.

3 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
4 **EMERGENCY FUND**

5	General Fund--State Appropriation (FY 2004)	\$850,000
6	General Fund--State Appropriation (FY 2005)	\$850,000
7	TOTAL APPROPRIATION	\$1,700,000

8 The appropriations in this section are subject to the following
9 conditions and limitations: The appropriations in this section are for
10 the governor's emergency fund for the critically necessary work of any
11 agency.

12 NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
13 **EXTRAORDINARY CRIMINAL JUSTICE COSTS**

14	Public Safety and Education Account--State Appropriation . .	\$766,000
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15 The appropriation in this section is subject to the following
16 conditions and limitations: The director of financial management shall
17 distribute the entire appropriation to King county for extraordinary
18 criminal justice costs.

19 NEW SECTION. **Sec. 708. BELATED CLAIMS.** The agencies and
20 institutions of the state may expend moneys appropriated in this act,
21 upon approval of the office of financial management, for the payment of
22 supplies and services furnished to the agency or institution in prior
23 fiscal biennia.

24 NEW SECTION. **Sec. 709. FOR THE GOVERNOR--COMPENSATION--INSURANCE**
25 **BENEFITS**

26	General Fund--State Appropriation (FY 2004)	\$8,243,000
27	General Fund--State Appropriation (FY 2005)	\$38,879,000
28	Dedicated Funds and Accounts Appropriation	\$41,232,000
29	TOTAL APPROPRIATION	\$88,354,000

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

1 (1) The appropriation from dedicated funds and accounts shall be
2 made in the amounts specified and from the dedicated funds and accounts
3 specified in LEAP document 2003-38, a computerized tabulation developed
4 by the legislative evaluation and accountability program committee on
5 June 2, 2003, which is hereby incorporated by reference. The office of
6 financial management shall allocate the moneys appropriated in this
7 section in the amounts specified and to the state agencies specified in
8 LEAP document 2003-38, and adjust appropriation schedules accordingly.

9 (2)(a) The monthly employer funding rate for insurance benefit
10 premiums, public employees' benefits board administration, and the
11 uniform medical plan, shall not exceed \$504.89 per eligible employee
12 for fiscal year 2004, and \$592.30 for fiscal year 2005.

13 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
14 employee shall be included in the employer funding rate for fiscal year
15 2004, and \$2.11 per eligible employee shall be included in the employer
16 funding rate for fiscal year 2005, solely to increase life insurance
17 coverage in accordance with a court approved settlement in *Burbage et*
18 *al. v. State of Washington* (Thurston county superior court cause no.
19 94-2-02560-8).

20 (c) In order to achieve the level of funding provided for health
21 benefits, the public employees' benefits board shall require any or all
22 of the following: Employee premium copayments, increases in point-of-
23 service cost sharing, the implementation of managed competition, or
24 make other changes to benefits consistent with RCW 41.05.065.

25 (d) The health care authority shall deposit any moneys received on
26 behalf of the uniform medical plan as a result of rebates on
27 prescription drugs, audits of hospitals, subrogation payments, or any
28 other moneys recovered as a result of prior uniform medical plan claims
29 payments, into the public employees' and retirees' insurance account to
30 be used for insurance benefits. Such receipts shall not be used for
31 administrative expenditures.

32 (3) The health care authority, subject to the approval of the
33 public employees' benefits board, shall provide subsidies for health
34 benefit premiums to eligible retired or disabled public employees and
35 school district employees who are eligible for parts A and B of
36 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through

1 December 31, 2004, the subsidy shall be \$102.35. Starting January 1,
2 2005, the subsidy shall be \$116.19 per month.

3 (4) Technical colleges, school districts, and educational service
4 districts shall remit to the health care authority for deposit into the
5 public employees' and retirees' insurance account established in RCW
6 41.05.120 the following amounts:

7 (a) For each full-time employee, \$42.76 per month beginning
8 September 1, 2003, and \$49.14 beginning September 1, 2004;

9 (b) For each part-time employee who, at the time of the remittance,
10 is employed in an eligible position as defined in RCW 41.32.010 or
11 41.40.010 and is eligible for employer fringe benefit contributions for
12 basic benefits, \$42.76 each month beginning September 1, 2003, and
13 \$49.14 beginning September 1, 2004, prorated by the proportion of
14 employer fringe benefit contributions for a full-time employee that the
15 part-time employee receives.

16 The remittance requirements specified in this subsection shall not
17 apply to employees of a technical college, school district, or
18 educational service district who purchase insurance benefits through
19 contracts with the health care authority.

20 (5) The appropriations in this section include amounts sufficient
21 to fund health benefits for ferry workers at the premium levels
22 specified in subsection (2) of this section, consistent with the 2003-
23 2005 transportation appropriations act.

24 NEW SECTION. **Sec. 710. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
25 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in this
26 section are subject to the following conditions and limitations: The
27 appropriations for the law enforcement officers' and firefighters'
28 retirement system shall be made on a monthly basis beginning July 1,
29 2003, consistent with chapter 41.45 RCW, and the appropriations for the
30 judges and judicial retirement systems shall be made on a quarterly
31 basis consistent with chapters 2.10 and 2.12 RCW.

32 (1) There is appropriated for state contributions to the law
33 enforcement officers' and fire fighters' retirement system:

34	General Fund--State Appropriation (FY 2004)	\$21,256,000
35	General Fund--State Appropriation (FY 2005)	\$20,914,000

1 (2) There is appropriated for contributions to the judicial
2 retirement system:

3 General Fund--State Appropriation (FY 2004) \$6,000,000
4 General Fund--State Appropriation (FY 2005) \$6,000,000

5 (3) There is appropriated for contributions to the judges
6 retirement system:

7 General Fund--State Appropriation (FY 2004) \$500,000
8 General Fund--State Appropriation (FY 2005) \$500,000
9 TOTAL APPROPRIATION \$55,170,000

10 NEW SECTION. **Sec. 711. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
11 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

12 General Fund--State Appropriation (FY 2004) \$578,000
13 General Fund--State Appropriation (FY 2005) \$584,000
14 Public Safety and Education Account--State
15 Appropriation \$146,000
16 Judicial Information Systems Account--State
17 Appropriation \$57,000
18 Department of Retirement Systems Expense
19 Account--State Appropriation \$14,000
20 TOTAL APPROPRIATION \$1,379,000

21 The appropriations in this section are subject to the following
22 conditions and limitations: The appropriations in this section are
23 provided solely to fund pension contributions to the public employees'
24 retirement system and teachers' retirement system for judicial and
25 legislative employees, effective July 1, 2003. The office of financial
26 management shall update agency appropriation schedules to reflect the
27 addition of the funding in this section, as identified by agency and
28 fund in LEAP document 2003-39 dated June 3, 2003.

29 NEW SECTION. **Sec. 712. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
30 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

31 General Fund--State Appropriation (FY 2004) \$10,468,000
32 General Fund--State Appropriation (FY 2005) \$10,468,000
33 TOTAL APPROPRIATION \$20,936,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: The appropriation in this section is for
3 appropriation to the education technology revolving account for the
4 purpose of covering operational and transport costs incurred by the K-
5 20 educational network program in providing telecommunication services
6 to network participants.

7 NEW SECTION. **Sec. 713. INCENTIVE SAVINGS--FY 2004.** The sum of
8 one hundred million dollars or so much thereof as may be available on
9 June 30, 2004, from the total amount of unspent fiscal year 2004 state
10 general fund appropriations is appropriated for the purposes of RCW
11 43.79.460 in the manner provided in this section.

12 (1) Of the total appropriated amount, one-half of that portion that
13 is attributable to incentive savings, not to exceed twenty-five million
14 dollars, is appropriated to the savings incentive account for the
15 purpose of improving the quality, efficiency, and effectiveness of
16 agency services, and credited to the agency that generated the savings.

17 (2) The remainder of the total amount, not to exceed seventy-five
18 million dollars, is appropriated to the education savings account.

19 (3) For purposes of this section, the total amount of unspent state
20 general fund appropriations does not include the appropriations made in
21 this section, in sections 715, 717, 718, and 724 of this act, or any
22 amounts included in across-the-board allotment reductions under RCW
23 43.88.110.

24 NEW SECTION. **Sec. 714. INCENTIVE SAVINGS--FY 2005.** The sum of
25 one hundred million dollars or so much thereof as may be available on
26 June 30, 2005, from the total amount of unspent fiscal year 2005 state
27 general fund appropriations is appropriated for the purposes of RCW
28 43.79.460 in the manner provided in this section.

29 (1) Of the total appropriated amount, one-half of that portion that
30 is attributable to incentive savings, not to exceed twenty-five million
31 dollars, is appropriated to the savings incentive account for the
32 purpose of improving the quality, efficiency, and effectiveness of
33 agency services, and credited to the agency that generated the savings.

34 (2) The remainder of the total amount, not to exceed seventy-five
35 million dollars, is appropriated to the education savings account.

1 (3) For purposes of this section, the total amount of unspent state
2 general fund appropriations does not include the appropriations made in
3 this section, in sections 715, 717, 718, and 724 of this act, or any
4 amounts included in across-the-board allotment reductions under RCW
5 43.88.110.

6 NEW SECTION. **Sec. 715. INCREASED FEDERAL ASSISTANCE.** (1) If the
7 department of social and health services or the department of veterans
8 affairs receives federal funding to enhance the federal medical
9 assistance percentage for the 2001-2003 or 2003-2005 fiscal biennia as
10 a result of the jobs and growth tax relief reconciliation act of 2003
11 (P.L. 108-27), the moneys shall be expended as an unanticipated receipt
12 under RCW 43.79.270 and 43.79.280, subject to the following conditions
13 and limitations:

14 (a) The moneys shall be expended in the manner required by the
15 federal act;

16 (b) The federal moneys shall be expended in a manner that will
17 maximize the conservation of state moneys, which shall be placed in
18 reserve status and remain unexpended; and

19 (c) The director of financial management shall notify the
20 appropriate legislative fiscal committees of proposed allotment
21 modifications prior to expenditure of the federal moneys.

22 (2) If the state receives federal funding for the 2001-2003 or
23 2003-2005 fiscal biennia as a result of the jobs and growth tax relief
24 reconciliation act of 2003 (P.L. 108-27) in addition to the funding
25 described in subsection (1) of this section, the moneys may be expended
26 as an unanticipated receipt under RCW 43.79.270 and 43.79.280, subject
27 to the following conditions and limitations:

28 (a) The moneys shall be expended in the manner required by the
29 federal act;

30 (b) The federal moneys shall be expended for necessary state
31 services and in a manner that will maximize the conservation of state
32 moneys, which shall be placed in reserve status and remain unexpended;
33 and

34 (c) The director of financial management shall notify the
35 appropriate legislative fiscal committees of proposed allotment
36 modifications prior to expenditure of the federal moneys.

1 **Sec. 716.** 2003 c 10 s 708 (uncodified) is amended to read as
2 follows:

3 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million
4 dollars or so much thereof as may be available on June 30, 2003, from
5 the total amount of unspent fiscal year 2003 state general fund
6 appropriations is appropriated for the purposes of RCW 43.79.460 in the
7 manner provided in this section.

8 (1) Of the total appropriated amount, one-half of that portion that
9 is attributable to incentive savings, not to exceed twenty-five million
10 dollars, is appropriated to the savings incentive account for the
11 purpose of improving the quality, efficiency, and effectiveness of
12 agency services, and credited to the agency that generated the savings.

13 (2) Of the total appropriated amount, any amount attributable to
14 unspent general fund--state appropriations in the state need grant
15 program, the state work study program, the Washington scholars program,
16 and the Washington award for vocational excellence program is
17 appropriated to the state financial aid account pursuant to Substitute
18 House Bill No. 2914 (state financial aid account).

19 (3) The remainder of the total amount, not to exceed seventy-five
20 million dollars, is appropriated to the education savings account.

21 (4) For purposes of this section, the total amount of unspent state
22 general fund appropriations does not include the appropriations made in
23 this section, amounts included in allotment reductions in sections 706,
24 707, 708, and 713 of (~~this act and section 706 of this act~~) chapter
25 371, Laws of 2002 and section 715 of this act, or any amounts included
26 in across-the-board allotment reductions under RCW 43.88.110.

27 NEW SECTION. **Sec. 717. AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT,**
28 **AND PERSONAL SERVICE CONTRACTS.** The office of financial management
29 shall reduce allotments for all agencies for personal service
30 contracts, equipment, and travel by \$20,000,000 from 2003-05 biennial
31 general fund appropriations in this act to reflect the elimination of
32 expenditures identified in LEAP document 2003-36, a computerized
33 tabulation developed by the legislative evaluation and accountability
34 program committee on April 25, 2003. The general fund allotment
35 reduction shall be placed in unallotted status and remain unexpended.

NEW SECTION. **Sec. 718. AGENCY EXPENDITURES FOR TORT LIABILITY.**

The office of financial management shall reduce allotments for all agencies by \$10,638,000 from 2003-05 biennial general fund appropriations in this act to reflect the reduction in contributions to the liability account. The general fund allotment reduction shall be placed in unallotted status and remain unexpended.

NEW SECTION. **Sec. 719. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

Health Services Account--State Appropriation \$48,000,000

The appropriation in this section is subject to the following conditions and limitations: The director of the department of community, trade, and economic development shall distribute the appropriations to the following counties and health districts in the amounts designated:

Health District	FY 2004	FY 2005	FY 2003-05 Biennium
Adams County Health District	\$30,951	\$30,951	\$61,902
Asotin County Health District	\$67,714	\$67,714	\$135,428
Benton-Franklin Health District	\$1,165,612	\$1,165,612	\$2,331,224
Chelan-Douglas Health District	\$184,761	\$184,761	\$369,522
Clallam County Health and Human Services Department	\$141,752	\$141,752	\$283,504
Southwest Washington Health District	\$1,084,473	\$1,084,473	\$2,168,946
Columbia County Health District	\$40,529	\$40,529	\$81,058
Cowlitz County Health Department	\$278,560	\$278,560	\$557,120
Garfield County Health District	\$15,028	\$15,028	\$30,056
Grant County Health District	\$118,595	\$118,595	\$237,191
Grays Harbor Health Department	\$183,870	\$183,870	\$367,740
Island County Health Department	\$91,892	\$91,892	\$183,784
Jefferson County Health and Human Services	\$85,782	\$85,782	\$171,564
Seattle-King County Department of Public Health	\$9,531,747	\$9,531,747	\$19,063,494
Bremerton-Kitsap County Health District	\$554,669	\$554,669	\$1,109,338
Kittitas County Health Department	\$92,499	\$92,499	\$184,998
Klickitat County Health Department	\$62,402	\$62,402	\$124,804
Lewis County Health Department	\$105,801	\$105,801	\$211,602

1	Lincoln County Health Department	\$29,705	\$29,705	\$59,410
2	Mason County Department of Health Services	\$95,988	\$95,988	\$191,976
3	Okanogan County Health District	\$63,458	\$63,458	\$126,916
4	Pacific County Health Department	\$77,427	\$77,427	\$154,854
5	Tacoma-Pierce County Health Department	\$2,820,590	\$2,820,590	\$5,641,180
6	San Juan County Health and Community Services	\$37,531	\$37,531	\$75,062
7	Skagit County Health Department	\$223,927	\$223,927	\$447,854
8	Snohomish Health District	\$2,258,207	\$2,258,207	\$4,516,414
9	Spokane County Health District	\$2,101,429	\$2,101,429	\$4,202,858
10	Northeast Tri-County Health District	\$110,454	\$110,454	\$220,908
11	Thurston County Health Department	\$600,419	\$600,419	\$1,200,838
12	Wahkiakum County Health Department	\$13,773	\$13,772	\$27,545
13	Walla Walla County-City Health Department	\$172,062	\$172,062	\$344,124
14	Whatcom County Health Department	\$855,863	\$855,863	\$1,711,726
15	Whitman County Health Department	\$78,733	\$78,733	\$157,466
16	Yakima Health District	\$623,797	\$623,797	\$1,247,594
17	TOTAL APPROPRIATIONS	\$24,000,000	\$24,000,000	\$48,000,000

18 NEW SECTION. **Sec. 720. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
19 **AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE**

20 General Fund--Federal Appropriation \$5,000,000

21 The appropriations in this section are subject to the following
22 conditions and limitations: The director of community, trade, and
23 economic development shall distribute the appropriations in this
24 section to the following counties in the amounts designated:

25		FY 2004
26	Adams	\$334,400
27	Asotin	\$361,900
28	Columbia	\$679,700
29	Douglas	\$264,000
30	Ferry	\$283,600
31	Garfield	\$759,800
32	Island	\$66,400
33	Lincoln	\$297,700
34	Mason	\$298,000

1	Okanogan	\$280,000
2	Pacific	\$89,700
3	Pend Oreille	\$181,600
4	Skamania	\$88,000
5	Stevens	\$418,000
6	Wahkiakum	\$452,900
7	Walla Walla	\$144,300
8	TOTAL APPROPRIATIONS	\$5,000,000

9 NEW SECTION. **Sec. 721. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
10 **AND ECONOMIC DEVELOPMENT--MUNICIPAL ASSISTANCE**

11 General Fund--Federal Appropriation \$5,000,000

12 The appropriation in this section is subject to the following
13 conditions and limitations: The director of community, trade, and
14 economic development shall distribute the appropriation in this section
15 to the following cities in the amounts designated:

16		FY 2004	FY 2005	2003-05
17				Biennium
18	Airway Heights	\$3,900	\$2,600	\$6,500
19	Albion	\$20,500	\$13,700	\$34,200
20	Almira	\$600	\$400	\$1,000
21	Asotin	\$8,400	\$5,600	\$14,000
22	Benton City	\$13,200	\$8,800	\$22,000
23	Black Diamond	\$15,600	\$10,400	\$2,600
24	Bridgeport	\$58,100	\$38,700	\$96,800
25	Brier	\$110,200	\$73,500	\$183,700
26	Bucoda	\$12,800	\$8,500	\$21,300
27	Carbonado	\$12,600	\$8,400	\$21,000
28	Cashmere	\$11,000	\$7,300	\$18,300
29	Cheney	\$16,400	\$10,900	\$27,300
30	Chewelah	\$1,100	\$600	\$1,700
31	Colfax	\$800	\$500	\$1,300
32	College Place	\$117,800	\$78,500	\$196,300
33	Colton	\$4,600	\$3,100	\$7,700
34	Conconully	\$3,300	\$2,200	\$5,500

1	Concrete	\$900	\$600	\$1,500
2	Connell	\$23,300	\$15,500	\$38,800
3	Coulee Dam	\$4,700	\$3,100	\$7,800
4	Covington	\$100,300	\$66,900	\$167,200
5	Creston	\$1,600	\$1,100	\$2,700
6	Cusick	\$600	\$400	\$1,000
7	Darrington	\$4,800	\$3,200	\$8,000
8	Davenport	\$3,800	\$2,500	\$6,300
9	Dayton	\$1,200	\$800	\$2,000
10	Des Moines	\$137,500	\$91,700	\$229,200
11	Edgewood	\$233,300	\$155,500	\$388,800
12	Electric City	\$22,800	\$15,200	\$38,000
13	Elma	\$1,600	\$1,100	\$2,700
14	Elmer City	\$9,200	\$6,100	\$15,300
15	Endicott	\$8,900	\$5,900	\$14,800
16	Entiat	\$8,700	\$5,800	\$14,500
17	Everson	\$4,000	\$2,700	\$6,700
18	Fairfield	\$1,100	\$600	\$1,700
19	Farmington	\$2,400	\$1,600	\$4,000
20	Fircrest	\$42,700	\$28,500	\$71,200
21	Forks	\$4,200	\$2,800	\$7,000
22	Garfield	\$10,600	\$7,100	\$17,700
23	George	\$1,900	\$1,300	\$3,200
24	Gold Bar	\$24,700	\$16,500	\$41,200
25	Grandview	\$13,100	\$8,700	\$21,800
26	Granger	\$24,200	\$16,100	\$40,300
27	Hamilton	\$3,400	\$2,300	\$5,700
28	Harrah	\$13,500	\$9,000	\$22,500
29	Harrington	\$700	\$500	\$1,200
30	Hartline	\$2,800	\$1,900	\$4,700
31	Hatton	\$3,800	\$2,500	\$4,700
32	Hoquiam	\$16,600	\$11,100	\$27,700
33	Index	\$600	\$400	\$1,000
34	Ione	\$1,500	\$1,000	\$2,500
35	Kahlotus	\$4,900	\$3,300	\$8,200
36	Kenmore	\$113,000	\$75,300	\$188,300
37	Kettle Falls	\$3,200	\$2,100	\$5,300

1	Kittitas	\$14,200	\$9,500	\$23,700
2	Krupp	\$700	\$500	\$1,200
3	Lacrosse	\$2,200	\$1,500	\$3,700
4	Lake Forest Park	\$116,600	\$77,700	\$194,300
5	Lake Stevens	\$3,900	\$2,600	\$6,500
6	Lakewood	\$303,100	\$202,100	\$505,200
7	Lamont	\$2,100	\$1,400	\$3,500
8	Latah	\$2,200	\$1,500	\$3,700
9	Lyman	\$3,000	\$2,000	\$5,000
10	Mabton	\$44,000	\$29,300	\$73,300
11	Malden	\$6,700	\$4,500	\$11,200
12	Mansfield	\$6,900	\$4,600	\$11,500
13	Maple Valley	\$14,200	\$9,500	\$23,700
14	Marcus	\$3,000	\$2,000	\$5,000
15	Mattawa	\$14,500	\$9,700	\$24,200
16	McCleary	\$12,500	\$8,300	\$20,800
17	Medical Lake	\$8,200	\$5,500	\$13,700
18	Mesa	\$1,400	\$900	\$2,300
19	Metaline	\$1,800	\$1,200	\$3,000
20	Metaline Falls	\$800	\$500	\$1,300
21	Mossyrock	\$600	\$400	\$1,000
22	Mountlake Terrace	\$27,000	\$18,000	\$45,000
23	Moxee	\$1,900	\$1,300	\$3,200
24	Napavine	\$16,700	\$11,100	\$27,800
25	Nespelem	\$5,400	\$3,600	\$9,000
26	Newcastle	\$1,400	\$900	\$2,300
27	Nooksack	\$10,900	\$7,300	\$18,200
28	Normandy Park	\$70,200	\$46,800	\$117,000
29	North Bonneville	\$1,500	\$1,000	\$2,500
30	Northport	\$5,900	\$3,900	\$9,800
31	Oakesdale	\$2,500	\$1,700	\$4,200
32	Oakville	\$5,900	\$3,900	\$9,800
33	Orting	\$10,300	\$6,900	\$17,200
34	Palouse	\$6,300	\$4,200	\$10,500
35	Pateros	\$600	\$400	\$1,000
36	Pe Ell	\$16,900	\$11,300	\$28,200
37	Pomeroy	\$2,100	\$1,400	\$3,500

1	Prescott	\$1,100	\$600	\$1,700
2	Pullman	\$18,200	\$12,100	\$30,300
3	Rainier	\$22,900	\$15,300	\$38,200
4	Raymond	\$600	\$400	\$1,000
5	Reardan	\$7,200	\$4,800	\$12,000
6	Republic	\$900	\$600	\$1,500
7	Riverside	\$6,000	\$4,000	\$10,000
8	Rock Island	\$4,900	\$3,300	\$8,200
9	Rockford	\$1,400	\$900	\$2,300
10	Rosalia	\$5,500	\$3,700	\$9,200
11	Roslyn	\$9,700	\$6,500	\$16,200
12	Royal City	\$10,300	\$6,900	\$17,200
13	Ruston	\$6,700	\$4,500	\$11,200
14	Sammamish	\$276,900	\$184,600	\$461,500
15	Shoreline	\$55,400	\$36,900	\$92,300
16	Soap Lake	\$16,300	\$10,900	\$27,200
17	South Bend	\$4,600	\$3,100	\$7,700
18	South Cle Elum	\$9,200	\$6,100	\$15,300
19	South Prairie	\$1,500	\$1,000	\$2,500
20	Sprague	\$1,100	\$700	\$1,800
21	Springdale	\$600	\$400	\$1,000
22	Starbuck	\$2,300	\$1,500	\$3,800
23	Steilacoom	\$16,400	\$10,900	\$27,300
24	Tekoa	\$4,100	\$2,700	\$6,800
25	Tenino	\$5,800	\$3,900	\$9,700
26	Tieton	\$10,400	\$6,900	\$17,300
27	Toppenish	\$53,600	\$35,700	\$89,300
28	Uniontown	\$2,500	\$1,700	\$4,200
29	University Place	\$262,300	\$174,900	\$437,200
30	Vader	\$10,600	\$7,100	\$17,700
31	Waitsburg	\$13,000	\$8,700	\$21,700
32	Wapato	\$30,100	\$20,100	\$50,200
33	Warden	\$8,200	\$5,500	\$13,700
34	Washtucna	\$6,400	\$4,300	\$10,700
35	Waterville	\$10,800	\$7,200	\$18,000
36	Waverly	\$3,000	\$2,000	\$5,000
37	West Richland	\$71,700	\$47,800	\$119,500

1	White Salmon	\$900	\$600	\$1,500
2	Wilbur	\$600	\$400	\$1,000
3	Wilkeson	\$600	\$400	\$1,000
4	Wilson Creek	\$2,900	\$1,900	\$4,800
5	Yacolt	\$3,100	\$2,100	\$5,200
6	Zillah	\$4,600	\$3,100	\$7,700
7	TOTAL APPROPRIATIONS	\$3,000,000	\$2,000,000	\$5,000,000

8 NEW SECTION. **Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
9 **HIGHER EDUCATION ENROLLMENT.**

10	General Fund--State Appropriation (FY 2004)	\$3,125,000
11	General Fund--State Appropriation (FY 2005)	\$3,126,000
12	TOTAL APPROPRIATION	\$6,251,000

13 The appropriations in this section are subject to the following
14 conditions and limitation: \$3,125,000 of the general fund--state for
15 fiscal year 2004 and \$3,126,000 of the general fund--state for fiscal
16 year 2005 are provided solely for allocation to public baccalaureate
17 institutions to expand state-supported college access by 400 full-time
18 equivalent student enrollments with junior class standing over levels
19 in the 2002-03 academic year. With these amounts, the legislature
20 intends to assist qualified residents seeking to transfer with an
21 associate degree or credits sufficient to enter degree programs with
22 junior-class standing. Any institution receiving an allocation for
23 instruction shall provide data as required by the forecast division of
24 the office of financial management to establish a baseline and monitor
25 change in state-supported enrollment. This data will also be provided
26 to the state board for community and technical colleges, the higher
27 education coordinating board, and the higher education policy and
28 fiscal legislative committees to demonstrate the impact of this
29 section.

30 NEW SECTION. **Sec. 723. FOR SUNDRY CLAIMS.** The following sums,
31 or so much thereof as may be necessary, are appropriated from the
32 general fund, unless otherwise indicated, for relief of various
33 individuals, firms, and corporations for sundry claims. These
34 appropriations are to be disbursed on vouchers approved by the director
35 of general administration, except as otherwise provided, as follows:

- 1 (1) Reimbursement of criminal defendants acquitted on the basis of
- 2 self-defense, pursuant to RCW 9A.16.110: Kelly C. Schwartz, claim
- 3 number SCJ 03-10 \$18,250
- 4 (2) Payment from the state wildlife account for damage to crops by
- 5 wildlife, pursuant to RCW 77.36.050:
- 6 (a) Circle S Landscape Supplies, claim number
- 7 SCG 03-05 \$49,380
- 8 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 9 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 10 (d) Bud Hamilton, claim number SCG 03-10 \$15,591
- 11 (e) Richard Anderson, claim number SCG 03-11 \$75,933
- 12 (f) Neil Ice, claim number SCG 03-12 \$73,474
- 13 (g) Carl Anderson, claim number SCG 03-13 \$120,943

14 **NEW SECTION. Sec. 724. AGENCY EXPENDITURES FOR LEGISLATIVE**

15 **LIAISONS.** During the 2003-05 fiscal biennium, no state agency or

16 institution may expend any moneys appropriated in this act to employ

17 legislative liaisons or contract for legislative liaisons. However,

18 each independently elected statewide official may employ one FTE

19 legislative liaison during the 2003-05 fiscal biennium. The office of

20 financial management shall reduce allotments for agencies by \$3,257,000

21 from 2003-05 biennial general fund appropriations in this act to

22 reflect the elimination of the expenditures identified in LEAP document

23 34, a computerized tabulation developed by the legislative evaluation

24 and accountability program committee on April 3, 2003. The general

25 fund allotment reduction shall be placed in unallotted status and

26 remain unexpended.

27 State funds provided in Part V of this act may not be expended by

28 or for any organization, association, or other entity to influence the

29 passage or defeat of any legislation by the legislature of the state of

30 Washington.

31 **NEW SECTION. Sec. 725.** 2003 c 360 s 408 (uncodified) is repealed.

32 **NEW SECTION. Sec. 726.** A new section is added to 2003 c 360

33 (uncodified) to read as follows:

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT**
2 **SYSTEMS.**

3	Aeronautics Account--State Appropriation	(\$8,000)
4	State Patrol Highway Account--State Appropriation	(\$443,000)
5	State Patrol Highway Account--Federal Appropriation	(\$16,000)
6	State Patrol Highway Account--Local Appropriation	(\$6,000)
7	Motorcycle Safety Education Account--State	
8	Appropriation	(\$2,000)
9	Rural Arterial Trust Account--State Appropriation	(\$4,000)
10	Wildlife Account--State Appropriation	(\$2,000)
11	Highway Safety Account--State Appropriation	(\$461,000)
12	Highway Safety Account--Federal Appropriation	(\$14,000)
13	Motor Vehicle Account--State Appropriation	(\$2,305,000)
14	Puget Sound Ferry Operations Account--State	
15	Appropriation	(\$1,414,000)
16	Urban Arterial Trust Account--State Appropriation	(\$10,000)
17	Transportation Improvement Account--State	
18	Appropriation	(\$10,000)
19	County Arterial Preservation Account--State	
20	Appropriation	(\$4,000)
21	Department of Licensing Services Account--State	
22	Appropriation	(\$2,000)
23	Multi-Modal Transportation Account--State	
24	Appropriation	(\$154,000)
25	TOTAL APPROPRIATION	(\$4,855,000)

26 The office of financial management shall update agency
27 appropriation schedules to reflect the addition of the funding in this
28 section, as identified by agency and fund in LEAP document 2003-37
29 dated May 27, 2003. The appropriations in this section are provided
30 solely for funding agency pension changes as set forth in Senate Bill
31 No. 6029 or House Bill No. 2254.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION. Sec. 801. FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

Table with 2 columns: Description of appropriation and Amount. Rows include: General Fund Appropriation for fire insurance premium distributions (\$4,711,500), General Fund Appropriation for public utility district excise tax distributions (\$39,273,684), General Fund Appropriation for prosecuting attorney distributions (\$3,441,197), General Fund Appropriation for boating safety and education distributions (\$4,074,300), 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), Municipal Criminal Justice Assistance Appropriation (\$21,069,000), Liquor Excise Tax Account Appropriation for liquor excise tax distribution (\$32,624,831), Liquor Revolving Account Appropriation for liquor profits distribution (\$57,511,693), and TOTAL APPROPRIATION (\$268,374,916).

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

1 NEW SECTION. **Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY**
2 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

3 Impaired Driving Safety Account Appropriation \$1,896,502

4 The appropriation in this section is subject to the following
5 conditions and limitations: The amount appropriated in this section
6 shall be distributed quarterly during the 2003-05 biennium in
7 accordance with RCW 82.14.310. This funding is provided to counties
8 for the costs of implementing criminal justice legislation including,
9 but not limited to: Chapter 206, Laws of 1998 (drunk driving
10 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
11 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
12 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
13 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
14 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
15 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
16 215, Laws of 1998 (DUI provisions).

17 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--FOR THE MUNICIPAL**
18 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

19 Impaired Driving Safety Account Appropriation \$1,264,335

20 The appropriation in this section is subject to the following
21 conditions and limitations: The amount appropriated in this section
22 shall be distributed quarterly during the 2003-05 biennium to all
23 cities ratably based on population as last determined by the office of
24 financial management. The distributions to any city that substantially
25 decriminalizes or repeals its criminal code after July 1, 1990, and
26 that does not reimburse the county for costs associated with criminal
27 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
28 which the city is located. This funding is provided to cities for the
29 costs of implementing criminal justice legislation including, but not
30 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
31 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
32 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
33 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
34 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
35 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels

1 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
2 Laws of 1998 (DUI provisions).

3 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**
4 **FOR DISTRIBUTION**

5	General Fund Appropriation for federal grazing	
6	fees distribution	\$1,293,828
7	General Fund Appropriation for federal flood	
8	control funds distribution	\$25,050
9	Forest Reserve Fund Appropriation for federal	
10	forest reserve fund distribution	\$83,492,373
11	TOTAL APPROPRIATION	\$84,811,251

12 The total expenditures from the state treasury under the
13 appropriations in this section shall not exceed the funds available
14 under statutory distributions for the stated purposes.

15 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS**

16 For transfers in this section to the state general fund, pursuant
17 to RCW 43.135.035(5), the state expenditure limit shall be increased by
18 the amount of the transfer. The increase shall occur in the fiscal
19 year in which the transfer occurs.

20	State Convention and Trade Center Account:	
21	For transfer to the state general fund	\$10,000,000
22	County Sale/Use Tax Equalization Account:	
23	For transfer to the state general fund for	
24	fiscal year 2004	\$74,000
25	Financial Services Regulation Fund: For transfer	
26	to the state general fund at the beginning	
27	of fiscal year 2005	\$1,632,000
28	Municipal Sale/Use Tax Equalization Account:	
29	For transfer to the state general fund for	
30	fiscal year 2004	\$374,000
31	Asbestos Account: For transfer to the state	
32	general fund	\$200,000
33	Electrical License Account: For transfer	
34	to the state general fund	\$7,000,000
35	Local Toxics Control Account: For transfer	

1	to the state toxics control account	\$4,059,000
2	Pressure Systems Safety Account: For transfer	
3	to the state general fund	\$1,000,000
4	Health Services Account: For transfer	
5	to the water quality account	\$8,182,000
6	State Treasurer's Service Account: For	
7	transfer to the general fund	\$10,000,000
8	Public Works Assistance Account: For	
9	transfer to the drinking water	
10	assistance account	\$8,387,000
11	Tobacco Settlement Account: For transfer	
12	to the health services account, in an	
13	amount not to exceed the actual balance	
14	of the tobacco settlement account	\$185,000,000
15	Health Service Account: For transfer	
16	to the violence reduction and drug	
17	enforcement account	\$7,789,000
18	Nisqually Earthquake Account: For transfer to	
19	the disaster response account	\$6,200,000
20	Industrial Insurance Premium Refund Account:	
21	For transfer to the state general fund	\$577,000
22	Public Service Revolving Account: For transfer	
23	to the state general fund	\$1,600,000
24	State Forest Nursery Revolving Account: For transfer	
25	to the state general fund, \$250,000 for fiscal	
26	year 2004 and \$250,000 for fiscal year 2005	\$500,000
27	Flood Control Assistance Account: For transfer	
28	to the state general fund, \$1,350,000 for	
29	fiscal year 2004 and \$1,350,000 for fiscal	
30	year 2005	\$2,700,000
31	Water Quality Account: For transfer to the water	
32	pollution control account	\$10,500,000
33	General Fund: For transfer to the water quality	
34	account, \$3,870,000 for fiscal year 2004 and	
35	\$4,557,000 for fiscal year 2005	\$8,427,000
36	Insurance Commissioner's Regulatory Account:	
37	For transfer to the state general fund	\$1,500,000

1 Health Services Account: For transfer to the
 2 tobacco prevention and control account \$24,216,000
 3 From the Emergency Reserve Fund: For transfer
 4 to the state general fund, not to exceed
 5 the actual balance of the emergency reserve fund.
 6 This transfer is intended to liquidate the
 7 emergency reserve fund \$59,350,000
 8 Department of Retirement Systems Expense Account:
 9 For transfer to the state general fund \$1,500,000
 10 Woodstove Education and Enforcement Account:
 11 For transfer to the air pollution control account \$600,000
 12 Multimodal Transportation Account: For transfer
 13 to the air pollution control account for
 14 fiscal year 2004. The amount transferred
 15 shall be deposited into the segregated
 16 subaccount of the air pollution control
 17 account created in Engrossed Substitute
 18 Senate Bill No. 6072, chapter 264, Laws of
 19 2003. The state treasurer shall perform the
 20 transfer from the multimodal transportation
 21 account to the air pollution control subaccount
 22 on a quarterly basis \$4,170,726
 23 Multimodal Transportation Account: For transfer
 24 to the vessel response account for fiscal
 25 year 2004 \$1,213,704
 26 Resource Management Cost Account: For transfer
 27 to the contract harvesting revolving account \$250,000
 28 Forest Development Account: For transfer to the
 29 contract harvesting revolving account \$250,000
 30 Site Closure Account: For transfer to the
 31 state general fund \$13,800,000
 32 Health Services Account: For transfer to the
 33 general fund--state for fiscal year 2005 \$1,250,000

34 NEW SECTION. **Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
 35 **TRANSFERS**

36 General Fund--State Appropriation: For

1 transfer to the department of retirement
2 systems expense account: For the
3 administrative expenses of the judicial
4 retirement system \$21,901

(End of part)

PART IX
MISCELLANEOUS

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NEW SECTION. **Sec. 901. EXPENDITURE AUTHORIZATIONS.** The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2001-03 biennium.

NEW SECTION. **Sec. 902. INFORMATION SYSTEMS PROJECTS.** Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:

- (a) System refurbishment, acquisitions, and development efforts;
 - (b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;
 - (c) Assessment of overall information processing performance, resources, and capabilities;
 - (d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources;
- and

1 (e) Progress toward enabling electronic access to public
2 information.

3 (3) Each project will be planned and designed to take optimal
4 advantage of Internet technologies and protocols. Agencies shall
5 ensure that the project is in compliance with the architecture,
6 infrastructure, principles, policies, and standards of digital
7 government as maintained by the information services board.

8 (4) The agency shall produce a feasibility study for information
9 technology projects at the direction of the information services board
10 and in accordance with published department of information services
11 policies and guidelines. At a minimum, such studies shall include a
12 statement of: (a) The purpose or impetus for change; (b) the business
13 value to the agency, including an examination and evaluation of
14 benefits, advantages, and cost; (c) a comprehensive risk assessment
15 based on the proposed project's impact on both citizens and state
16 operations, its visibility, and the consequences of doing nothing; (d)
17 the impact on agency and statewide information infrastructure; and (e)
18 the impact of the proposed enhancements to an agency's information
19 technology capabilities on meeting service delivery demands.

20 (5) The agency shall produce a comprehensive management plan for
21 each project. The plan or plans shall address all factors critical to
22 successful completion of each project. The plan(s) shall include, but
23 is not limited to, the following elements: A description of the
24 problem or opportunity that the information technology project is
25 intended to address; a statement of project objectives and assumptions;
26 a definition and schedule of phases, tasks, and activities to be
27 accomplished; and the estimated cost of each phase. The planning for
28 the phased approach shall be such that the business case justification
29 for a project needs to demonstrate how the project recovers cost or
30 adds measurable value or positive cost benefit to the agency's business
31 functions within each development cycle.

32 (6) The agency shall produce quality assurance plans for
33 information technology projects. Consistent with the direction of the
34 information services board and the published policies and guidelines of
35 the department of information services, the quality assurance plan
36 shall address all factors critical to successful completion of the
37 project and successful integration with the agency and state

1 information technology infrastructure. At a minimum, quality assurance
2 plans shall provide time and budget benchmarks against which project
3 progress can be measured, a specification of quality assurance
4 responsibilities, and a statement of reporting requirements. The
5 quality assurance plans shall set out the functionality requirements
6 for each phase of a project.

7 (7) A copy of each feasibility study, project management plan, and
8 quality assurance plan shall be provided to the department of
9 information services, the office of financial management, and
10 legislative fiscal committees. The plans and studies shall demonstrate
11 a sound business case that justifies the investment of taxpayer funds
12 on any new project, an assessment of the impact of the proposed system
13 on the existing information technology infrastructure, the disciplined
14 use of preventative measures to mitigate risk, and the leveraging of
15 private-sector expertise as needed. Authority to expend any funds for
16 individual information systems projects is conditioned on the approval
17 of the relevant feasibility study, project management plan, and quality
18 assurance plan by the department of information services and the office
19 of financial management.

20 (8) Quality assurance status reports shall be submitted to the
21 department of information services, the office of financial management,
22 and legislative fiscal committees at intervals specified in the
23 project's quality assurance plan.

24 NEW SECTION. **Sec. 903. VIDEO TELECOMMUNICATIONS.** The department
25 of information services shall act as lead agency in coordinating video
26 telecommunications services for state agencies. As lead agency, the
27 department shall develop standards and common specifications for leased
28 and purchased telecommunications equipment and assist state agencies in
29 developing a video telecommunications expenditure plan. No agency may
30 spend any portion of any appropriation in this act for new video
31 telecommunication equipment, new video telecommunication transmission,
32 or new video telecommunication programming, or for expanding current
33 video telecommunication systems without first complying with chapter
34 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
35 without first submitting a video telecommunications expenditure plan,
36 in accordance with the policies of the department of information

1 services, for review and assessment by the department of information
2 services under RCW 43.105.052. Prior to any such expenditure by a
3 public school, a video telecommunications expenditure plan shall be
4 approved by the superintendent of public instruction. The office of
5 the superintendent of public instruction shall submit the plans to the
6 department of information services in a form prescribed by the
7 department. The office of the superintendent of public instruction
8 shall coordinate the use of video telecommunications in public schools
9 by providing educational information to local school districts and
10 shall assist local school districts and educational service districts
11 in telecommunications planning and curriculum development. Prior to
12 any such expenditure by a public institution of postsecondary
13 education, a telecommunications expenditure plan shall be approved by
14 the higher education coordinating board. The higher education
15 coordinating board shall coordinate the use of video telecommunications
16 for instruction and instructional support in postsecondary education,
17 including the review and approval of instructional telecommunications
18 course offerings.

19 NEW SECTION. **Sec. 904. PROGRAM COST SHIFTS.** Any program costs
20 or moneys in this act that are shifted to the general fund from another
21 fund or account require an adjustment to the expenditure limit under
22 RCW 43.135.035(5).

23 NEW SECTION. **Sec. 905. EMERGENCY FUND ALLOCATIONS.** Whenever
24 allocations are made from the governor's emergency fund appropriation
25 to an agency that is financed in whole or in part by other than general
26 fund moneys, the director of financial management may direct the
27 repayment of such allocated amount to the general fund from any balance
28 in the fund or funds which finance the agency. No appropriation shall
29 be necessary to effect such repayment.

30 NEW SECTION. **Sec. 906. STATUTORY APPROPRIATIONS.** In addition
31 to the amounts appropriated in this act for revenues for distribution,
32 state contributions to the law enforcement officers' and fire fighters'
33 retirement system plan 2, and bond retirement and interest including
34 ongoing bond registration and transfer charges, transfers, interest on

1 registered warrants, and certificates of indebtedness, there is also
2 appropriated such further amounts as may be required or available for
3 these purposes under any statutory formula or under chapters 39.94 and
4 39.96 RCW or any proper bond covenant made under law.

5 NEW SECTION. **Sec. 907. BOND EXPENSES.** In addition to such other
6 appropriations as are made by this act, there is hereby appropriated to
7 the state finance committee from legally available bond proceeds in the
8 applicable construction or building funds and accounts such amounts as
9 are necessary to pay the expenses incurred in the issuance and sale of
10 the subject bonds.

11 NEW SECTION. **Sec. 908. VOLUNTARY SEPARATION INCENTIVES.** As a
12 management tool to reduce costs and make more effective use of
13 resources, while improving employee productivity and morale, agencies
14 may offer voluntary separation and/or downshifting incentives and
15 options according to procedures and guidelines established by the
16 department of personnel and the department of retirement systems in
17 consultation with the office of financial management. The options may
18 include, but are not limited to, financial incentives for: Voluntary
19 resignation and retirement, voluntary leave-without-pay, voluntary
20 workweek or work hour reduction, voluntary downward movement, or
21 temporary separation for development purposes. No employee shall have
22 a contractual right to a financial incentive offered pursuant to this
23 section.

24 Agencies shall report on the outcomes of their plans, and offers
25 shall be reviewed and monitored jointly by the department of personnel
26 and the department of retirement systems, for reporting to the office
27 of financial management by December 1, 2004.

28 NEW SECTION. **Sec. 909. VOLUNTARY RETIREMENT INCENTIVES.** It is
29 the intent of the legislature that agencies may implement a voluntary
30 retirement incentive program that is cost neutral or results in cost
31 savings provided that such a program is approved by the director of
32 retirement systems and the office of financial management. Agencies
33 participating in this authorization are required to submit a report by
34 June 30, 2005, to the legislature and the office of financial

1 management on the outcome of their approved retirement incentive
2 program. The report should include information on the details of the
3 program including resulting service delivery changes, agency
4 efficiencies, the cost of the retirement incentive per participant, the
5 total cost to the state, and the projected or actual net dollar savings
6 over the 2003-05 biennium.

7 **Sec. 910.** RCW 19.28.351 and 1988 c 81 s 11 are each amended to
8 read as follows:

9 All sums received from licenses, permit fees, or other sources,
10 herein shall be paid to the state treasurer and placed in a special
11 fund designated as the "electrical license fund," and (~~by him~~) paid
12 out upon vouchers duly and regularly issued therefor and approved by
13 the director of labor and industries or the director's designee
14 following determination by the board that the sums are necessary to
15 accomplish the intent of chapter 19.28 RCW. The treasurer shall keep
16 an accurate record of payments into, or receipts of, (~~said~~) the fund,
17 and of all disbursements therefrom.

18 During the 2003-2005 biennium, the legislature may transfer moneys
19 from the electrical license fund to the state general fund such amounts
20 as reflect the excess fund balance of the fund.

21 **Sec. 911.** RCW 28A.305.210 and 1975 1st ex.s. c 275 s 51 are each
22 amended to read as follows:

23 (1) The state board of education, by rule or regulation, may
24 require the assistance of educational service district boards and/or
25 superintendents in the performance of any duty, authority, or power
26 imposed upon or granted to the state board of education by law, upon
27 such terms and conditions as the state board of education shall
28 establish. Such authority to assist the state board of education shall
29 be limited to the service function of information collection and
30 dissemination and the attestment to the accuracy and completeness of
31 submitted information.

32 (2) During the 2003-05 biennium, educational service districts may,
33 at the request of the state board of education, receive and screen
34 applications for school accreditation, conduct school accreditation
35 site visits pursuant to state board of education rules, and submit to

1 the state board of education post-site visit recommendations for school
2 accreditation. The educational service districts may assess a
3 cooperative service fee to recover actual plus reasonable indirect
4 costs for the purposes of this subsection.

5 **Sec. 912.** RCW 28A.500.030 and 2002 c 317 s 4 are each amended to
6 read as follows:

7 Allocation of state matching funds to eligible districts for local
8 effort assistance shall be determined as follows:

9 (1) Funds raised by the district through maintenance and operation
10 levies shall be matched with state funds using the following ratio of
11 state funds to levy funds:

12 (a) The difference between the district's twelve percent levy rate
13 and the statewide average twelve percent levy rate; to

14 (b) The statewide average twelve percent levy rate.

15 (2) The maximum amount of state matching funds for districts
16 eligible for local effort assistance shall be the district's twelve
17 percent levy amount, multiplied by the following percentage:

18 (a) The difference between the district's twelve percent levy rate
19 and the statewide average twelve percent levy rate; divided by

20 (b) The district's twelve percent levy rate.

21 (3) Calendar year 2003 allocations and maximum eligibility under
22 this chapter shall be multiplied by 0.99.

23 (4) From January 1, 2004, to June 30, 2005, allocations and maximum
24 eligibility under this chapter shall be multiplied by 0.937.

25 **Sec. 913.** RCW 38.52.106 and 2002 c 371 s 904 are each amended to
26 read as follows:

27 The Nisqually earthquake account is created in the state treasury.
28 Moneys may be placed in the account from tax revenues, budget transfers
29 or appropriations, federal appropriations, gifts, or any other lawful
30 source. Moneys in the account may be spent only after appropriation.
31 Moneys in the account shall be used only to support state and local
32 government disaster response and recovery efforts associated with the
33 Nisqually earthquake. During the ((2001-)) 2003-2005 fiscal biennium,
34 the legislature may transfer moneys from the Nisqually earthquake

1 account to the disaster response account for fire suppression and
2 mobilization costs(~~(, and costs associated with national security~~
3 ~~preparedness activities)~~).

4 **Sec. 914.** RCW 41.50.110 and 2003 c 295 (SHB 1204) s 3 and 2003 c
5 294 (HB 1200) s 11 are each reenacted and amended to read as follows:

6 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
7 section, all expenses of the administration of the department, the
8 expenses of administration of the retirement systems, and the expenses
9 of the administration of the office of the state actuary created in
10 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 43.43, and
11 44.44 RCW shall be paid from the department of retirement systems
12 expense fund.

13 (2) In order to reimburse the department of retirement systems
14 expense fund on an equitable basis the department shall ascertain and
15 report to each employer, as defined in RCW 41.26.030, 41.32.010,
16 41.35.010, or 41.40.010, the sum necessary to defray its proportional
17 share of the entire expense of the administration of the retirement
18 system that the employer participates in during the ensuing biennium or
19 fiscal year whichever may be required. Such sum is to be computed in
20 an amount directly proportional to the estimated entire expense of the
21 administration as the ratio of monthly salaries of the employer's
22 members bears to the total salaries of all members in the entire
23 system. It shall then be the duty of all such employers to include in
24 their budgets or otherwise provide the amounts so required.

25 (3) The department shall compute and bill each employer, as defined
26 in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of
27 each month for the amount due for that month to the department of
28 retirement systems expense fund and the same shall be paid as are its
29 other obligations. Such computation as to each employer shall be made
30 on a percentage rate of salary established by the department. However,
31 the department may at its discretion establish a system of billing
32 based upon calendar year quarters in which event the said billing shall
33 be at the end of each such quarter.

34 (4) The director may adjust the expense fund contribution rate for
35 each system at any time when necessary to reflect unanticipated costs
36 or savings in administering the department.

1 (5) An employer who fails to submit timely and accurate reports to
2 the department may be assessed an additional fee related to the
3 increased costs incurred by the department in processing the deficient
4 reports. Fees paid under this subsection shall be deposited in the
5 retirement system expense fund.

6 (a) Every six months the department shall determine the amount of
7 an employer's fee by reviewing the timeliness and accuracy of the
8 reports submitted by the employer in the preceding six months. If
9 those reports were not both timely and accurate the department may
10 prospectively assess an additional fee under this subsection.

11 (b) An additional fee assessed by the department under this
12 subsection shall not exceed fifty percent of the standard fee.

13 (c) The department shall adopt rules implementing this section.

14 (6) Expenses other than those under RCW 41.34.060(3) shall be paid
15 pursuant to subsection (1) of this section.

16 (7) During the 2003-2005 fiscal biennium, the legislature may
17 transfer from the department of retirement systems' expense fund to the
18 state general fund such amounts as reflect the excess fund balance of
19 the fund.

20 **Sec. 915.** RCW 43.03.050 and 1990 c 30 s 1 are each amended to read
21 as follows:

22 (1) The director of financial management shall prescribe reasonable
23 allowances to cover reasonable and necessary subsistence and lodging
24 expenses for elective and appointive officials and state employees
25 while engaged on official business away from their designated posts of
26 duty. The director of financial management may prescribe and regulate
27 the allowances provided in lieu of subsistence and lodging expenses and
28 may prescribe the conditions under which reimbursement for subsistence
29 and lodging may be allowed. The schedule of allowances adopted by the
30 office of financial management may include special allowances for
31 foreign travel and other travel involving higher than usual costs for
32 subsistence and lodging. The allowances established by the director
33 shall not exceed the rates set by the federal government for federal
34 employees. However, during the 2003-05 fiscal biennium, the allowances
35 for any county that is part of a metropolitan statistical area, the

1 largest city of which is in another state, shall equal the allowances
2 prescribed for that larger city.

3 (2) Those persons appointed to serve without compensation on any
4 state board, commission, or committee, if entitled to payment of
5 travel expenses, shall be paid pursuant to special per diem rates
6 prescribed in accordance with subsection (1) of this section by the
7 office of financial management.

8 (3) The director of financial management may prescribe reasonable
9 allowances to cover reasonable expenses for meals, coffee, and light
10 refreshment served to elective and appointive officials and state
11 employees regardless of travel status at a meeting where: (a) The
12 purpose of the meeting is to conduct official state business or to
13 provide formal training to state employees or state officials; (b) the
14 meals, coffee, or light refreshment are an integral part of the meeting
15 or training session; (c) the meeting or training session takes place
16 away from the employee's or official's regular workplace; and (d) the
17 agency head or authorized designee approves payments in advance for the
18 meals, coffee, or light refreshment. In order to prevent abuse, the
19 director may regulate such allowances and prescribe additional
20 conditions for claiming the allowances.

21 (4) Upon approval of the agency head or authorized designee, an
22 agency may serve coffee or light refreshments at a meeting where: (a)
23 The purpose of the meeting is to conduct state business or to provide
24 formal training that benefits the state; and (b) the coffee or light
25 refreshment is an integral part of the meeting or training session.
26 The director of financial management shall adopt requirements necessary
27 to prohibit abuse of the authority authorized in this subsection.

28 (5) The schedule of allowances prescribed by the director under the
29 terms of this section and any subsequent increases in any maximum
30 allowance or special allowances for areas of higher than usual costs
31 shall be reported to the ways and means committees of the house of
32 representatives and the senate at each regular session of the
33 legislature.

34 **Sec. 916.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended
35 to read as follows:

36 There is hereby created a fund within the state treasury to be

1 known as the "state treasurer's service fund". Such fund shall be used
2 solely for the payment of costs and expenses incurred in the operation
3 and administration of the state treasurer's office.

4 Moneys shall be allocated monthly and placed in the state
5 treasurer's service fund equivalent to a maximum of one percent of the
6 trust and treasury average daily cash balances from the earnings
7 generated under the authority of RCW 43.79A.040 and 43.84.080 other
8 than earnings generated from investment of balances in funds and
9 accounts specified in RCW 43.79.040(~~((2)(b))~~) or 43.84.092(~~((2)(b))~~)
10 (4)(b). The allocation shall precede the distribution of the remaining
11 earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state
12 treasurer shall establish a uniform allocation rate based on the
13 appropriations for the treasurer's office.

14 During the 2003-2005 fiscal biennium, the legislature may transfer
15 from the state treasurer's service fund to the state general fund such
16 amounts as reflect the excess fund balance of the fund.

17 **Sec. 917.** RCW 43.10.180 and 1979 c 151 s 95 are each amended to
18 read as follows:

19 (1) The attorney general shall keep such records as are necessary
20 to facilitate proper allocation of costs to funds and agencies served
21 and the director of financial management shall prescribe appropriate
22 accounting procedures to accurately allocate costs to funds and
23 agencies served. Billings shall be adjusted in line with actual costs
24 incurred at intervals not to exceed six months.

25 (2) During the 2003-05 fiscal biennium, all expenses for
26 administration of the office of the attorney general shall be allocated
27 to and paid from the legal services revolving fund in accordance with
28 accounting procedures prescribed by the director of financial
29 management.

30 **Sec. 918.** RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c
31 289 s 4 are each reenacted and amended to read as follows:

32 The money received by the state treasurer from fees, fines,
33 forfeitures, penalties, reimbursements or assessments by any court
34 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
35 deposited in the public safety and education account which is hereby

1 created in the state treasury. The legislature shall appropriate the
2 funds in the account to promote traffic safety education, highway
3 safety, criminal justice training, crime victims' compensation,
4 judicial education, the judicial information system, civil
5 representation of indigent persons, winter recreation parking, drug
6 court operations, and state game programs. During the fiscal biennium
7 ending June 30, ((2003)) 2005, the legislature may appropriate moneys
8 from the public safety and education account for purposes of appellate
9 indigent defense and other operations of the office of public defense,
10 the criminal litigation unit of the attorney general's office, the
11 treatment alternatives to street crimes program, crime victims advocacy
12 programs, justice information network telecommunication planning,
13 treatment for supplemental security income clients, sexual assault
14 treatment, operations of the office of administrator for the courts,
15 security in the common schools, alternative school start-up grants,
16 programs for disruptive students, criminal justice data collection,
17 Washington state patrol criminal justice activities, drug court
18 operations, unified family courts, local court backlog assistance,
19 financial assistance to local jurisdictions for extraordinary costs
20 incurred in the adjudication of criminal cases, domestic violence
21 treatment and related services, the department of corrections' costs in
22 implementing chapter 196, Laws of 1999, reimbursement of local
23 governments for costs associated with implementing criminal and civil
24 justice legislation, the replacement of the department of corrections'
25 offender-based tracking system, secure and semi-secure crisis
26 residential centers, HOPE beds, the family policy council and community
27 public health and safety networks, the street youth program, public
28 notification about registered sex offenders, and narcotics or
29 methamphetamine-related enforcement, education, training, and drug and
30 alcohol treatment services.

31 **Sec. 919.** RCW 43.43.944 and 1999 c 117 s 2 are each amended to
32 read as follows:

33 (1) The fire service training account is hereby established in the
34 state treasury. The fund shall consist of:

35 (a) All fees received by the Washington state patrol for fire
36 service training;

1 (b) All grants and bequests accepted by the Washington state patrol
2 under RCW 43.43.940; and

3 (c) Twenty percent of all moneys received by the state on fire
4 insurance premiums.

5 (2) Moneys in the account may be appropriated only for fire service
6 training. During the 2003-2005 fiscal biennium, the legislature may
7 appropriate funds from this account for school fire prevention
8 activities within the Washington state patrol.

9 **Sec. 920.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
10 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
11 follows:

12 (1) The emergency reserve fund is established in the state
13 treasury. During each fiscal year, the state treasurer shall deposit
14 in the emergency reserve fund all general fund--state revenues in
15 excess of the state expenditure limit for that fiscal year. Deposits
16 shall be made at the end of each fiscal quarter based on projections of
17 state revenues and the state expenditure limit. The treasurer shall
18 make transfers between these accounts as necessary to reconcile actual
19 annual revenues and the expenditure limit for fiscal year 2000 and
20 thereafter.

21 (2) The legislature may appropriate moneys from the emergency
22 reserve fund only with approval of at least two-thirds of the members
23 of each house of the legislature, and then only if the appropriation
24 does not cause total expenditures to exceed the state expenditure limit
25 under this chapter.

26 (3) The emergency reserve fund balance shall not exceed five
27 percent of annual general fund--state revenues as projected by the
28 official state revenue forecast. Any balance in excess of five percent
29 shall be transferred on a quarterly basis by the state treasurer as
30 follows: Seventy-five percent to the student achievement fund hereby
31 created in the state treasury and twenty-five percent to the general
32 fund balance. The treasurer shall make transfers between these
33 accounts as necessary to reconcile actual annual revenues for fiscal
34 year 2000 and thereafter. When per-student state funding for the
35 maintenance and operation of K-12 education meets a level of no less
36 than ninety percent of the national average of total funding from all

1 sources per student as determined by the most recent published data
2 from the national center for education statistics of the United States
3 department of education, as calculated by the office of financial
4 management, further deposits to the student achievement fund shall be
5 required only to the extent necessary to maintain the ninety-percent
6 level. Remaining funds are part of the general fund balance and these
7 funds are subject to the expenditure limits of this chapter.

8 (4) The education construction fund is hereby created in the state
9 treasury.

10 (a) Funds may be appropriated from the education construction fund
11 exclusively for common school construction or higher education
12 construction.

13 (b) Funds may be appropriated for any other purpose only if
14 approved by a two-thirds vote of each house of the legislature and if
15 approved by a vote of the people at the next general election. An
16 appropriation approved by the people under this subsection shall result
17 in an adjustment to the state expenditure limit only for the fiscal
18 period for which the appropriation is made and shall not affect any
19 subsequent fiscal period.

20 (5) Funds from the student achievement fund shall be appropriated
21 to the superintendent of public instruction strictly for distribution
22 to school districts to meet the provisions set out in the student
23 achievement act. Allocations shall be made on an equal per full-time
24 equivalent student basis to each school district.

25 (6) Earnings of the emergency reserve fund under RCW
26 43.84.092(4)(a) shall be transferred quarterly to the multimodal
27 transportation account, except for those earnings that are in excess of
28 thirty-five million dollars each fiscal year. Within thirty days
29 following any fiscal year in which earnings transferred to the
30 multimodal transportation account under this subsection did not total
31 thirty-five million dollars, the state treasurer shall transfer from
32 the emergency reserve fund an amount necessary to bring the total
33 deposited in the multimodal transportation account under this
34 subsection to thirty-five million dollars. The revenues to the
35 multimodal transportation account reflected in this subsection provide
36 ongoing support for the transportation programs of the state. However,
37 it is the intent of the legislature that any new long-term financial

1 support that may be subsequently provided for transportation programs
2 will be used to replace and supplant the revenues reflected in this
3 subsection, thereby allowing those revenues to be returned to the
4 purposes to which they were previously dedicated. No transfers from
5 the emergency reserve fund to the multimodal fund shall be made during
6 the 2003-05 fiscal biennium.

7 **Sec. 921.** RCW 43.320.110 and 2002 c 371 s 912 are each amended to
8 read as follows:

9 There is created a local fund known as the "financial services
10 regulation fund" which shall consist of all moneys received by the
11 divisions of the department of financial institutions, except for the
12 division of securities which shall deposit thirteen percent of all
13 moneys received, and which shall be used for the purchase of supplies
14 and necessary equipment; the payment of salaries, wages, and utilities;
15 the establishment of reserves; and other incidental costs required for
16 the proper regulation of individuals and entities subject to regulation
17 by the department. The state treasurer shall be the custodian of the
18 fund. Disbursements from the fund shall be on authorization of the
19 director of financial institutions or the director's designee. In
20 order to maintain an effective expenditure and revenue control, the
21 fund shall be subject in all respects to chapter 43.88 RCW, but no
22 appropriation is required to permit expenditures and payment of
23 obligations from the fund.

24 ~~((Between July 1, 2001, and December 31, 2001, the legislature may~~
25 ~~transfer up to two million dollars from the financial services~~
26 ~~regulation fund to the digital government revolving account.))~~ During
27 the ~~((2001-))~~ 2003-2005 fiscal biennium, the legislature may transfer
28 from the financial services regulation fund to the state general fund
29 such amounts as reflect the excess fund balance of the fund ~~((and~~
30 ~~appropriations reductions made by the 2002 supplemental appropriations~~
31 ~~act for administrative efficiencies and savings))~~.

32 **Sec. 922.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
33 read as follows:

34 (1) From time to time, but at least once each year, the state
35 treasurer shall refund from the motor vehicle fund one percent of the

1 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
2 based on the tax rate in effect January 1, 1990, less proper deductions
3 for refunds and costs of collection as provided in RCW 46.68.090. The
4 treasurer shall place these funds in the general fund as follows:

5 (a) Forty percent shall be credited to the ORV and nonhighway
6 vehicle account and administered by the department of natural resources
7 solely for planning, maintenance, and management of ORV recreation
8 facilities, nonhighway roads, and nonhighway road recreation
9 facilities. The funds under this subsection shall be expended in
10 accordance with the following limitations:

11 (i) Not more than five percent may be expended for information
12 programs under this chapter;

13 (ii) Not less than ten percent and not more than fifty percent may
14 be expended for ORV recreation facilities;

15 (iii) Not more than twenty-five percent may be expended for
16 maintenance of nonhighway roads;

17 (iv) Not more than fifty percent may be expended for nonhighway
18 road recreation facilities;

19 (v) Ten percent shall be transferred to the interagency committee
20 for outdoor recreation for grants to law enforcement agencies in those
21 counties where the department of natural resources maintains ORV
22 facilities. This amount is in addition to those distributions made by
23 the interagency committee for outdoor recreation under (d)(i) of this
24 subsection;

25 (b) Three and one-half percent shall be credited to the ORV and
26 nonhighway vehicle account and administered by the department of fish
27 and wildlife solely for the acquisition, planning, development,
28 maintenance, and management of nonhighway roads and recreation
29 facilities;

30 (c) Two percent shall be credited to the ORV and nonhighway vehicle
31 account and administered by the parks and recreation commission solely
32 for the maintenance and management of ORV use areas and facilities; and

33 (d) Fifty-four and one-half percent, together with the funds
34 received by the interagency committee for outdoor recreation under RCW
35 46.09.110, shall be credited to the nonhighway and off-road vehicle
36 activities program account to be administered by the committee for
37 planning, acquisition, development, maintenance, and management of ORV

1 recreation facilities and nonhighway road recreation facilities; ORV
2 user education and information; and ORV law enforcement programs. The
3 funds under this subsection shall be expended in accordance with the
4 following limitations:

5 (i) Not more than twenty percent may be expended for ORV education,
6 information, and law enforcement programs under this chapter;

7 (ii) Not less than an amount equal to the funds received by the
8 interagency committee for outdoor recreation under RCW 46.09.110 and
9 not more than sixty percent may be expended for ORV recreation
10 facilities;

11 (iii) Not more than twenty percent may be expended for nonhighway
12 road recreation facilities.

13 (2) On a yearly basis an agency may not, except as provided in RCW
14 46.09.110, expend more than ten percent of the funds it receives under
15 this chapter for general administration expenses incurred in carrying
16 out this chapter.

17 (3) During the 2003-05 fiscal biennium, the legislature may
18 appropriate such amounts as reflect the excess fund balance in the ORV
19 account to the interagency committee for outdoor recreation, the
20 department of natural resources, the department of fish and wildlife,
21 and the state parks and recreation commission. This appropriation is
22 not required to follow the specific distribution specified in
23 subsection (1) of this section.

24 **Sec. 923.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to
25 read as follows:

26 (1) As used in this section:

27 (a) "Organization" means every insurer, as defined in RCW
28 48.01.050, having a certificate of authority to do business in this
29 state and every health care service contractor registered to do
30 business in this state. "Class one" organizations shall consist of all
31 insurers as defined in RCW 48.01.050. "Class two" organizations shall
32 consist of all organizations registered under provisions of chapter
33 48.44 RCW.

34 (b) "Receipts" means (i) net direct premiums consisting of direct
35 gross premiums, as defined in RCW 48.18.170, paid for insurance written
36 or renewed upon risks or property resident, situated, or to be

1 performed in this state, less return premiums and premiums on policies
2 not taken, dividends paid or credited to policyholders on direct
3 business, and premiums received from policies or contracts issued in
4 connection with qualified plans as defined in RCW 48.14.021, and (ii)
5 prepayments to health care service contractors as set forth in RCW
6 48.44.010(3) less experience rating credits, dividends, prepayments
7 returned to subscribers, and payments for contracts not taken.

8 (2) The annual cost of operating the office of insurance
9 commissioner shall be determined by legislative appropriation. A pro
10 rata share of the cost shall be charged to all organizations. Each
11 class of organization shall contribute sufficient in fees to the
12 insurance commissioner's regulatory account to pay the reasonable
13 costs, including overhead, of regulating that class of organization.

14 (3) Fees charged shall be calculated separately for each class of
15 organization. The fee charged each organization shall be that portion
16 of the cost of operating the insurance commissioner's office, for that
17 class of organization, for the ensuing fiscal year that is represented
18 by the organization's portion of the receipts collected or received by
19 all organizations within that class on business in this state during
20 the previous calendar year: PROVIDED, That the fee shall not exceed
21 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
22 minimum fee shall be one thousand dollars.

23 (4) The commissioner shall annually, on or before June 1, calculate
24 and bill each organization for the amount of its fee. Fees shall be
25 due and payable no later than June 15 of each year: PROVIDED, That if
26 the necessary financial records are not available or if the amount of
27 the legislative appropriation is not determined in time to carry out
28 such calculations and bill such fees within the time specified, the
29 commissioner may use the fee factors for the prior year as the basis
30 for the fees and, if necessary, the commissioner may impose
31 supplemental fees to fully and properly charge the organizations. The
32 penalties for failure to pay fees when due shall be the same as the
33 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
34 required by this section are in addition to all other taxes and fees
35 now imposed or that may be subsequently imposed.

36 (5) All moneys collected shall be deposited in the insurance

1 commissioner's regulatory account in the state treasury which is hereby
2 created.

3 (6) Unexpended funds in the insurance commissioner's regulatory
4 account at the close of a fiscal year shall be carried forward in the
5 insurance commissioner's regulatory account to the succeeding fiscal
6 year and shall be used to reduce future fees. During the ((2001-2003))
7 2003-2005 fiscal biennium, the legislature may transfer from the
8 insurance commissioner's regulatory account to the state general fund
9 such amounts as reflect excess fund balance in the account.

10 **Sec. 924.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to
11 read as follows:

12 (1) The department shall administer this chapter.

13 (2) The director of the department shall adopt, in accordance with
14 chapters 34.05 and 49.17 RCW, rules necessary to carry out this
15 chapter.

16 (3) The department shall prescribe fees for the issuance and
17 renewal of certificates, including recertification, and the
18 administration of examinations, and for the review of training courses.

19 (4) The asbestos account is hereby established in the state
20 treasury. All fees collected under this chapter shall be deposited in
21 the account. Moneys in the account shall be spent after appropriation
22 only for costs incurred by the department in the administration and
23 enforcement of this chapter. Disbursements from the account shall be
24 on authorization of the director of the department or the director's
25 designee.

26 (5) During the 2003-2005 fiscal biennium, the legislature may
27 transfer from the asbestos account to the state general fund such
28 amounts as reflect the excess fund balance in the account.

29 **Sec. 925.** RCW 50.16.010 and 2002 c 371 s 914 are each amended to
30 read as follows:

31 There shall be maintained as special funds, separate and apart from
32 all public moneys or funds of this state an unemployment compensation
33 fund, an administrative contingency fund, and a federal interest
34 payment fund, which shall be administered by the commissioner

1 exclusively for the purposes of this title, and to which RCW 43.01.050
2 shall not be applicable.

3 The unemployment compensation fund shall consist of

4 (1) all contributions and payments in lieu of contributions
5 collected pursuant to the provisions of this title,

6 (2) any property or securities acquired through the use of moneys
7 belonging to the fund,

8 (3) all earnings of such property or securities,

9 (4) any moneys received from the federal unemployment account in
10 the unemployment trust fund in accordance with Title XII of the social
11 security act, as amended,

12 (5) all money recovered on official bonds for losses sustained by
13 the fund,

14 (6) all money credited to this state's account in the unemployment
15 trust fund pursuant to section 903 of the social security act, as
16 amended,

17 (7) all money received from the federal government as reimbursement
18 pursuant to section 204 of the federal-state extended compensation act
19 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

20 (8) all moneys received for the fund from any other source.

21 All moneys in the unemployment compensation fund shall be
22 commingled and undivided.

23 The administrative contingency fund shall consist of all interest
24 on delinquent contributions collected pursuant to this title, all fines
25 and penalties collected pursuant to the provisions of this title, all
26 sums recovered on official bonds for losses sustained by the fund, and
27 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
28 forfeitures and penalties collected or assessed by a district court
29 because of the violation of a state law shall be remitted as provided
30 in chapter 3.62 RCW as now exists or is later amended.

31 Moneys available in the administrative contingency fund, other than
32 money in the special account created under RCW 50.24.014, shall be
33 expended upon the direction of the commissioner, with the approval of
34 the governor, whenever it appears to him or her that such expenditure
35 is necessary for:

36 (a) The proper administration of this title and no federal funds
37 are available for the specific purpose to which such expenditure is to

1 be made, provided, the moneys are not substituted for appropriations
2 from federal funds which, in the absence of such moneys, would be made
3 available.

4 (b) The proper administration of this title for which purpose
5 appropriations from federal funds have been requested but not yet
6 received, provided, the administrative contingency fund will be
7 reimbursed upon receipt of the requested federal appropriation.

8 (c) The proper administration of this title for which compliance
9 and audit issues have been identified that establish federal claims
10 requiring the expenditure of state resources in resolution. Claims
11 must be resolved in the following priority: First priority is to
12 provide services to eligible participants within the state; second
13 priority is to provide substitute services or program support; and last
14 priority is the direct payment of funds to the federal government.

15 (d) During the ~~((2001-))~~2003-2005 fiscal biennium, the cost of
16 ~~((worker retraining programs))~~ the job skills program and the alliance
17 for corporate education at community and technical colleges as
18 appropriated by the legislature.

19 Money in the special account created under RCW 50.24.014 may only
20 be expended, after appropriation, for the purposes specified in RCW
21 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
22 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

23 **Sec. 926.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to
24 read as follows:

25 The industrial insurance premium refund account is created in the
26 custody of the state treasurer. All industrial insurance refunds
27 earned by state agencies or institutions of higher education under the
28 state fund retrospective rating program shall be deposited into the
29 account. The account is subject to the allotment procedures under
30 chapter 43.88 RCW, but no appropriation is required for expenditures
31 from the account. Only the executive head of the agency or institution
32 of higher education, or designee, may authorize expenditures from the
33 account. No agency or institution of higher education may make an
34 expenditure from the account for an amount greater than the refund
35 earned by the agency. If the agency or institution of higher education
36 has staff dedicated to workers' compensation claims management,

1 expenditures from the account must be used to pay for that staff, but
2 additional expenditure from the account may be used for any program
3 within an agency or institution of higher education that promotes or
4 provides incentives for employee workplace safety and health and early,
5 appropriate return-to-work for injured employees. During the ((2001-
6 2003)) 2003-2005 fiscal biennium, the legislature may transfer from the
7 industrial insurance premium refund account to the state general fund
8 such amounts as reflect the ((~~reductions made by the 2002 supplemental~~
9 ~~appropriations act for administrative efficiencies and savings~~)) excess
10 fund balance of the account.

11 **Sec. 927.** RCW 66.08.190 and 2002 c 38 s 2 are each amended to read
12 as follows:

13 (1) Except for revenues generated by the 2003 surcharge of
14 \$0.42/liter on retail sales of spirits that shall be distributed to the
15 state general fund during the 2003-2005 biennium, when excess funds are
16 distributed, all moneys subject to distribution shall be disbursed as
17 follows:

18 (a) Three-tenths of one percent to border areas under RCW
19 66.08.195; and

20 (b) From the amount remaining after distribution under (a) of this
21 subsection, (i) fifty percent to the general fund of the state, (ii)
22 ten percent to the counties of the state, and (iii) forty percent to
23 the incorporated cities and towns of the state.

24 (2) During the months of June, September, December, and March of
25 each year, prior to disbursing the distribution to incorporated cities
26 and towns under subsection (1)(b) of this section, the treasurer shall
27 deduct from that distribution an amount that will fund that quarter's
28 allotments under RCW 43.88.110 from any legislative appropriation from
29 the city and town research services account. The treasurer shall
30 deposit the amount deducted into the city and town research services
31 account.

32 (3) The governor may notify and direct the state treasurer to
33 withhold the revenues to which the counties and cities are entitled
34 under this section if the counties or cities are found to be in
35 noncompliance pursuant to RCW 36.70A.340.

1 **Sec. 928.** RCW 66.16.010 and 1939 c 172 s 10 are each amended to
2 read as follows:

3 (1) There shall be established at such places throughout the state
4 as the liquor control board, constituted under this title, shall deem
5 advisable, stores to be known as "state liquor stores," for the sale of
6 liquor in accordance with the provisions of this title and the
7 regulations: PROVIDED, That the prices of all liquor shall be fixed by
8 the board from time to time so that the net annual revenue received by
9 the board therefrom shall not exceed thirty-five percent. Effective no
10 later than September 1, 2003, the liquor control board shall add an
11 equivalent surcharge of \$0.42 per liter on all retail sales of spirits,
12 excluding licensee, military, and tribal sales. The intent of this
13 surcharge is to raise \$14,000,000 in additional general fund-state
14 revenue for the 2003-2005 biennium. To the extent that a lesser
15 surcharge is sufficient to raise \$14,000,000, the board may reduce the
16 amount of the surcharge. The board shall remove the surcharge once it
17 generates \$14,000,000, but no later than June 30, 2005.

18 (2) The liquor control board may, from time to time, fix the
19 special price at which pure ethyl alcohol may be sold to physicians and
20 dentists and institutions regularly conducted as hospitals, for use or
21 consumption only in such hospitals; and may also fix the special price
22 at which pure ethyl alcohol may be sold to schools, colleges and
23 universities within the state for use for scientific purposes.
24 Regularly conducted hospitals may have right to purchase pure ethyl
25 alcohol on a federal permit.

26 (3) The liquor control board may also fix the special price at
27 which pure ethyl alcohol may be sold to any department, branch or
28 institution of the state of Washington, federal government, or to any
29 person engaged in a manufacturing or industrial business or in
30 scientific pursuits requiring alcohol for use therein.

31 (4) The liquor control board may also fix a special price at which
32 pure ethyl alcohol may be sold to any private individual, and shall
33 make regulations governing such sale of alcohol to private individuals
34 as shall promote, as nearly as may be, the minimum purchase of such
35 alcohol by such persons.

1 **Sec. 929.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to
2 read as follows:

3 (1) The proceeds from the sale of the bonds authorized in RCW
4 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
5 67.40.130, and all other moneys received by the state convention and
6 trade center from any public or private source which are intended to
7 fund the acquisition, design, construction, expansion, exterior cleanup
8 and repair of the Eagles building, conversion of various retail and
9 other space to meeting rooms, purchase of the land and building known
10 as the McKay Parcel, development of low-income housing, or renovation
11 of the center, and those expenditures authorized under RCW 67.40.170
12 shall be deposited in the state convention and trade center account
13 hereby created in the state treasury and in such subaccounts as are
14 deemed appropriate by the directors of the corporation.

15 (2) Moneys in the account, including unanticipated revenues under
16 RCW 43.79.270, shall be used exclusively for the following purposes in
17 the following priority:

18 (a) For reimbursement of the state general fund under RCW
19 67.40.060;

20 (b) After appropriation by statute:

21 (i) For payment of expenses incurred in the issuance and sale of
22 the bonds issued under RCW 67.40.030;

23 (ii) For expenditures authorized in RCW 67.40.170;

24 (iii) For acquisition, design, and construction of the state
25 convention and trade center; and

26 (iv) For reimbursement of any expenditures from the state general
27 fund in support of the state convention and trade center; and

28 (c) For transfer to the state convention and trade center
29 operations account.

30 (3) The corporation shall identify with specificity those
31 facilities of the state convention and trade center that are to be
32 financed with proceeds of general obligation bonds, the interest on
33 which is intended to be excluded from gross income for federal income
34 tax purposes. The corporation shall not permit the extent or manner of
35 private business use of those bond-financed facilities to be
36 inconsistent with treatment of such bonds as governmental bonds under
37 applicable provisions of the Internal Revenue Code of 1986, as amended.

1 (4) In order to ensure consistent treatment of bonds authorized
2 under RCW 67.40.030 with applicable provisions of the Internal Revenue
3 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment
4 earnings on bond proceeds deposited in the state convention and trade
5 center account in the state treasury shall be retained in the account,
6 and shall be expended by the corporation for the purposes authorized
7 under chapter 386, Laws of 1995 and in a manner consistent with
8 applicable provisions of the Internal Revenue Code of 1986, as amended.

9 (5) During the 2003-2005 fiscal biennium, the legislature may
10 transfer from the state convention and trade center account to the
11 state general fund such amounts as reflect the excess fund balance of
12 the account.

13 **Sec. 930.** RCW 69.50.520 and 2002 c 371 s 920 are each amended to
14 read as follows:

15 The violence reduction and drug enforcement account is created in
16 the state treasury. All designated receipts from RCW 9.41.110(8),
17 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
18 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
19 shall be deposited into the account. Expenditures from the account may
20 be used only for funding services and programs under chapter 271, Laws
21 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
22 incarceration costs. Funds from the account may also be appropriated
23 to reimburse local governments for costs associated with implementing
24 criminal justice legislation including chapter 338, Laws of 1997.
25 During the ~~((2001-))~~ 2003-2005 biennium, funds from the account may
26 also be used for costs associated with providing grants to local
27 governments in accordance with chapter 338, Laws of 1997, ~~((the~~
28 ~~replacement of the department of corrections' offender based tracking~~
29 ~~system)) funding drug offender treatment services in accordance with~~
30 RCW 70.96A.350, maintenance and operating costs of the Washington
31 association of sheriffs and police chiefs jail reporting system, civil
32 indigent legal representation, ~~((and for))~~ multijurisdictional
33 narcotics task forces~~((. After July 1, 2003, at least seven and one~~
34 ~~half percent of expenditures from the account shall be used for~~
35 ~~providing)), and grants to community networks under chapter 70.190 RCW~~
36 by the family policy council.

1 **Sec. 931.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to
2 read as follows:

3 The chief inspector shall give an official receipt for all fees
4 required by chapter 70.79 RCW and shall transfer all sums so received
5 to the treasurer of the state of Washington as ex officio custodian
6 thereof and (~~by him, as such custodian,~~) the treasurer shall place
7 (~~said~~) all sums in a special fund hereby created and designated as
8 the "pressure systems safety fund". (~~Said~~) Funds (~~by him~~) shall be
9 paid out upon vouchers duly and regularly issued therefor and approved
10 by the director of the department of labor and industries. The
11 treasurer, as ex officio custodian of (~~said~~) the fund, shall keep an
12 accurate record of any payments into (~~said~~) the fund, and of all
13 disbursements therefrom. (~~Said~~) The fund shall be used exclusively
14 to defray only the expenses of administering chapter 70.79 RCW by the
15 chief inspector as authorized by law and the expenses incident to the
16 maintenance of (~~his~~) the office. The fund shall be charged with its
17 pro rata share of the cost of administering (~~said~~) the fund which is
18 to be determined by the director of financial management and by the
19 director of the department of labor and industries.

20 During the 2003-2005 fiscal biennium, the legislature may transfer
21 from the pressure systems safety fund to the state general fund such
22 amounts as reflect the excess fund balance of the fund.

23 **Sec. 932.** RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each
24 amended to read as follows:

25 (1) The wood stove education and enforcement account is hereby
26 created in the state treasury. Money placed in the account shall
27 include all money received under subsection (2) of this section and any
28 other money appropriated by the legislature. Money in the account
29 shall be spent for the purposes of the wood stove education program
30 established under RCW 70.94.480 and for enforcement of the wood stove
31 program, and shall be subject to legislative appropriation. However,
32 during the 2003-05 fiscal biennium, the legislature may transfer from
33 the wood stove education and enforcement account to the air pollution
34 control account such amounts as specified in the omnibus operating
35 budget bill.

1 (2) The department of ecology, with the advice of the advisory
2 committee, shall set a flat fee of thirty dollars, on the retail sale,
3 as defined in RCW 82.04.050, of each solid fuel burning device after
4 January 1, 1992. The fee shall be imposed upon the consumer and shall
5 not be subject to the retail sales tax provisions of chapters 82.08 and
6 82.12 RCW. The fee may be adjusted annually above thirty dollars to
7 account for inflation as determined by the state office of the economic
8 and revenue forecast council. The fee shall be collected by the
9 department of revenue in conjunction with the retail sales tax under
10 chapter 82.08 RCW. If the seller fails to collect the fee herein
11 imposed or fails to remit the fee to the department of revenue in the
12 manner prescribed in chapter 82.08 RCW, the seller shall be personally
13 liable to the state for the amount of the fee. The collection
14 provisions of chapter 82.32 RCW shall apply. The department of revenue
15 shall deposit fees collected under this section in the wood stove
16 education and enforcement account.

17 **Sec. 933.** RCW 70.105D.070 and 2001 c 27 s 2 are each amended to
18 read as follows:

19 (1) The state toxics control account and the local toxics control
20 account are hereby created in the state treasury.

21 (2) The following moneys shall be deposited into the state toxics
22 control account: (a) Those revenues which are raised by the tax
23 imposed under RCW 82.21.030 and which are attributable to that portion
24 of the rate equal to thirty-three one-hundredths of one percent; (b)
25 the costs of remedial actions recovered under this chapter or chapter
26 70.105A RCW; (c) penalties collected or recovered under this chapter;
27 and (d) any other money appropriated or transferred to the account by
28 the legislature. Moneys in the account may be used only to carry out
29 the purposes of this chapter, including but not limited to the
30 following activities:

31 (i) The state's responsibility for hazardous waste planning,
32 management, regulation, enforcement, technical assistance, and public
33 education required under chapter 70.105 RCW;

34 (ii) The state's responsibility for solid waste planning,
35 management, regulation, enforcement, technical assistance, and public
36 education required under chapter 70.95 RCW;

1 (iii) The hazardous waste cleanup program required under this
2 chapter;

3 (iv) State matching funds required under the federal cleanup law;

4 (v) Financial assistance for local programs in accordance with
5 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

6 (vi) State government programs for the safe reduction, recycling,
7 or disposal of hazardous wastes from households, small businesses, and
8 agriculture;

9 (vii) Hazardous materials emergency response training;

10 (viii) Water and environmental health protection and monitoring
11 programs;

12 (ix) Programs authorized under chapter 70.146 RCW;

13 (x) A public participation program, including regional citizen
14 advisory committees;

15 (xi) Public funding to assist potentially liable persons to pay for
16 the costs of remedial action in compliance with cleanup standards under
17 RCW 70.105D.030(2)(e) but only when the amount and terms of such
18 funding are established under a settlement agreement under RCW
19 70.105D.040(4) and when the director has found that the funding will
20 achieve both (A) a substantially more expeditious or enhanced cleanup
21 than would otherwise occur, and (B) the prevention or mitigation of
22 unfair economic hardship; and

23 (xii) Development and demonstration of alternative management
24 technologies designed to carry out the top two hazardous waste
25 management priorities of RCW 70.105.150.

26 (3) The following moneys shall be deposited into the local toxics
27 control account: Those revenues which are raised by the tax imposed
28 under RCW 82.21.030 and which are attributable to that portion of the
29 rate equal to thirty-seven one-hundredths of one percent.

30 (a) Moneys deposited in the local toxics control account shall be
31 used by the department for grants or loans to local governments for the
32 following purposes in descending order of priority: (i) Remedial
33 actions; (ii) hazardous waste plans and programs under chapter 70.105
34 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C,
35 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the
36 assessment and cleanup of sites of methamphetamine production, but not
37 to be used for the initial containment of such sites, consistent with

1 the responsibilities and intent of RCW 69.50.511; and (v) cleanup and
2 disposal of hazardous substances from abandoned or derelict vessels
3 that pose a threat to human health or the environment. For purposes of
4 this subsection (3)(a)(v), "abandoned or derelict vessels" means
5 vessels that have little or no value and either have no identified
6 owner or have an identified owner lacking financial resources to clean
7 up and dispose of the vessel. Funds for plans and programs shall be
8 allocated consistent with the priorities and matching requirements
9 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During
10 the 1999-2001 fiscal biennium, moneys in the account may also be used
11 for the following activities: Conducting a study of whether dioxins
12 occur in fertilizers, soil amendments, and soils; reviewing
13 applications for registration of fertilizers; and conducting a study of
14 plant uptake of metals. During the 2003-05 fiscal biennium, the
15 legislature may transfer from the local toxics control account to the
16 state toxics control account such amounts as specified in the omnibus
17 operating budget bill for methamphetamine lab cleanup.

18 (b) Funds may also be appropriated to the department of health to
19 implement programs to reduce testing requirements under the federal
20 safe drinking water act for public water systems. The department of
21 health shall reimburse the account from fees assessed under RCW
22 70.119A.115 by June 30, 1995.

23 (4) Except for unanticipated receipts under RCW 43.79.260 through
24 43.79.282, moneys in the state and local toxics control accounts may be
25 spent only after appropriation by statute.

26 (5) One percent of the moneys deposited into the state and local
27 toxics control accounts shall be allocated only for public
28 participation grants to persons who may be adversely affected by a
29 release or threatened release of a hazardous substance and to not-for-
30 profit public interest organizations. The primary purpose of these
31 grants is to facilitate the participation by persons and organizations
32 in the investigation and remedying of releases or threatened releases
33 of hazardous substances and to implement the state's solid and
34 hazardous waste management priorities. However, during the 1999-2001
35 fiscal biennium, funding may not be granted to entities engaged in
36 lobbying activities, and applicants may not be awarded grants if their
37 cumulative grant awards under this section exceed two hundred thousand

1 dollars. No grant may exceed sixty thousand dollars. Grants may be
2 renewed annually. Moneys appropriated for public participation from
3 either account which are not expended at the close of any biennium
4 shall revert to the state toxics control account.

5 (6) No moneys deposited into either the state or local toxics
6 control account may be used for solid waste incinerator feasibility
7 studies, construction, maintenance, or operation.

8 (7) The department shall adopt rules for grant or loan issuance and
9 performance.

10 **Sec. 934.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to
11 read as follows:

12 (1) The water quality account is hereby created in the state
13 treasury. Moneys in the account may be used only in a manner
14 consistent with this chapter. Moneys deposited in the account shall be
15 administered by the department of ecology and shall be subject to
16 legislative appropriation. Moneys placed in the account shall include
17 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
18 principal and interest from the repayment of any loans granted pursuant
19 to this chapter, and any other moneys appropriated to the account by
20 the legislature.

21 (2) The department may use or permit the use of any moneys in the
22 account to make grants or loans to public bodies, including grants to
23 public bodies as cost-sharing moneys in any case where federal, local,
24 or other funds are made available on a cost-sharing basis, for water
25 pollution control facilities and activities, or for purposes of
26 assisting a public body to obtain an ownership interest in water
27 pollution control facilities and/or to defray a part of the payments
28 made by a public body to a service provider under a service agreement
29 entered into pursuant to RCW 70.150.060, within the purposes of this
30 chapter and for related administrative expenses. For the period July
31 1, ((2001)) 2003, to June 30, ((2003)) 2005, moneys in the account may
32 be used to process applications received by the department that seek to
33 make changes to or transfer existing water rights and for grants and
34 technical assistance to public bodies for watershed planning under
35 chapter 90.82 RCW. No more than three percent of the moneys deposited

1 in the account may be used by the department to pay for the
2 administration of the grant and loan program authorized by this
3 chapter.

4 (3) Beginning with the biennium ending June 30, 1997, the
5 department shall present a biennial progress report on the use of
6 moneys from the account to the chairs of the senate committee on ways
7 and means and the house of representatives committee on appropriations.
8 The first report is due June 30, 1996, and the report for each
9 succeeding biennium is due December 31 of the odd-numbered year. The
10 report shall consist of a list of each recipient, project description,
11 and amount of the grant, loan, or both.

12 **Sec. 935.** RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended
13 to read as follows:

14 Within thirty days after June 30, 1987, and within thirty days
15 after each succeeding fiscal year thereafter, the state treasurer shall
16 determine the tax receipts deposited into the water quality account for
17 the preceding fiscal year. If the tax receipts deposited into the
18 account in each of the fiscal years 1988 and 1989 are less than forty
19 million dollars, the state treasurer shall transfer sufficient moneys
20 from general state revenues into the water quality account to bring the
21 total receipts in each fiscal year up to forty million dollars.

22 For the biennium ending June 30, 1991, if the tax receipts
23 deposited into the water quality account and the earnings on investment
24 of balances credited to the account are less than ninety million
25 dollars, the treasurer shall transfer sufficient moneys from general
26 state revenues into the water quality account to bring the total
27 revenue up to ninety million dollars. The determination and transfer
28 shall be made by July 31, 1991.

29 For fiscal year 1992 and for fiscal years 1995 and 1996 and
30 thereafter, if the tax receipts deposited into the water quality
31 account for each fiscal year are less than forty-five million dollars,
32 the treasurer shall transfer sufficient moneys from general state
33 revenues into the water quality account to bring the total revenue up
34 to forty-five million dollars. However, during the 2003-05 fiscal
35 biennium, the legislature may specify the transfer of a different

1 amount in the operating budget bill. Determinations and transfers
2 shall be made by July 31 for the preceding fiscal year.

3 **Sec. 936.** RCW 72.11.040 and 2001 2nd sp.s. c 7 s 919 are each
4 amended to read as follows:

5 The cost of supervision fund is created in the custody of the state
6 treasurer. All receipts from assessments made under RCW 9.94A.780 and
7 72.04A.120 shall be deposited into the fund. Expenditures from the
8 fund may be used only to support the collection of legal financial
9 obligations. During the ((2001-)) 2003-2005 biennium, funds from the
10 account may also be used for costs associated with the department's
11 supervision of the offenders in the community. Only the secretary of
12 the department of corrections or the secretary's designee may authorize
13 expenditures from the fund. The fund is subject to allotment
14 procedures under chapter 43.88 RCW, but no appropriation is required
15 for expenditures.

16 **Sec. 937.** RCW 76.12.050 and 1973 1st ex.s. c 50 s 1 are each
17 amended to read as follows:

18 (1) The board of county commissioners of any county and/or the
19 mayor and city council or city commission of any city or town and/or
20 the board of natural resources shall have authority to exchange, each
21 with the other, or with the federal forest service, the federal
22 government or any proper agency thereof and/or with any private
23 landowner, county land of any character, land owned by municipalities
24 of any character, and land owned by the state under the jurisdiction of
25 the department of natural resources, for real property of equal value
26 for the purpose of consolidating and blocking up the respective land
27 holdings of any county, municipality, the federal government, or the
28 state of Washington or for the purpose of obtaining lands having
29 commercial recreational leasing potential.

30 (2) During the biennium ending June 30, 2005, the department, with
31 approval of the board, may exchange any state forest land and any
32 timber thereon for any real property and proceeds of equal value.
33 Proceeds may be in the form of cash or services in order to achieve the
34 purposes established in this section. Any cash received as part of an
35 exchange transaction shall be deposited in the forest development

1 account to pay for administrative expenses incurred in carrying out an
2 exchange transaction. The amount of proceeds received from the
3 exchange partner may not exceed five percent of the total value of the
4 exchange. The receipt of proceeds shall not change the character of
5 the transaction from an exchange to a sale.

6 **Sec. 938.** RCW 76.12.170 and 1988 c 128 s 36 are each amended to
7 read as follows:

8 All receipts from the sale of stock or seed shall be deposited in
9 a state forest nursery revolving fund to be maintained by the
10 department, which is hereby authorized to use all money in said fund
11 for the maintenance of the state tree nursery or the planting of
12 denuded state owned lands.

13 During the 2003-2005 fiscal biennium, the legislature may transfer
14 from the state forest nursery revolving fund to the state general fund
15 such amounts as reflect the excess fund balance of the fund.

16 **Sec. 939.** RCW 79.08.180 and 1987 c 113 s 1 are each amended to
17 read as follows:

18 (1) The department of natural resources, with the approval of the
19 board of natural resources, may exchange any state land and any timber
20 thereon for any land of equal value in order to:

21 ~~((1))~~ (a) Facilitate the marketing of forest products of state
22 lands;

23 ~~((2))~~ (b) Consolidate and block-up state lands;

24 ~~((3))~~ (c) Acquire lands having commercial recreational leasing
25 potential;

26 ~~((4))~~ (d) Acquire county-owned lands;

27 ~~((5))~~ (e) Acquire urban property which has greater income
28 potential or which could be more efficiently managed by the department
29 in exchange for state urban lands as defined in RCW 79.01.784; or

30 ~~((6))~~ (f) Acquire any other lands when such exchange is
31 determined by the board of natural resources to be in the best interest
32 of the trust for which the state land is held.

33 ~~((7))~~ (2) Land exchanged under this section shall not be used to
34 reduce the publicly owned forest land base.

1 ~~((+8))~~ (3) The board of natural resources shall determine that
2 each land exchange is in the best interest of the trust for which the
3 land is held prior to authorizing the land exchange.

4 (4) During the biennium ending June 30, 2005, the department, with
5 approval of the board, may exchange any state land and any timber
6 thereon for any land and proceeds of equal value. Proceeds may be in
7 the form of cash or services in order to achieve the purposes
8 established in this section. Any cash received as part of an exchange
9 transaction shall be deposited in the resource management cost account
10 to pay for administrative expenses incurred in carrying out an exchange
11 transaction. The amount of proceeds received from the exchange partner
12 may not exceed five percent of the total value of the exchange. The
13 receipt of proceeds shall not change the character of the transaction
14 from an exchange to a sale.

15 **Sec. 940.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to
16 read as follows:

17 There is created in the state treasury a public service revolving
18 fund. Regulatory fees payable by all types of public service companies
19 shall be deposited to the credit of the public service revolving fund.
20 Except for expenses payable out of the pipeline safety account, all
21 expense of operation of the Washington utilities and transportation
22 commission shall be payable out of the public service revolving fund.

23 During the ~~((2001-2003))~~ 2003-2005 fiscal biennium, the legislature
24 may transfer from the public service revolving fund to the state
25 general fund such amounts as reflect the ~~((appropriations reductions~~
26 ~~made by the 2002 supplemental appropriations act for administrative~~
27 ~~efficiencies and savings))~~ excess fund balance of the fund.

28 **Sec. 941.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to
29 read as follows:

30 There is created in the state treasury a special account to be
31 known as the "county sales and use tax equalization account." Into
32 this account shall be placed a portion of all motor vehicle excise tax
33 receipts as provided in RCW 82.44.110. Funds in this account shall be
34 allocated by the state treasurer according to the following procedure:

1 (1) Prior to April 1st of each year the director of revenue shall
2 inform the state treasurer of the total and the per capita levels of
3 revenues for the unincorporated area of each county and the statewide
4 weighted average per capita level of revenues for the unincorporated
5 areas of all counties imposing the sales and use tax authorized under
6 RCW 82.14.030(1) for the previous calendar year.

7 (2) At such times as distributions are made under RCW 82.44.150,
8 the state treasurer shall apportion to each county imposing the sales
9 and use tax under RCW 82.14.030(1) at the maximum rate and receiving
10 less than one hundred fifty thousand dollars from the tax for the
11 previous calendar year, an amount from the county sales and use tax
12 equalization account sufficient, when added to the amount of revenues
13 received the previous calendar year by the county, to equal one hundred
14 fifty thousand dollars.

15 The department of revenue shall establish a governmental price
16 index as provided in this subsection. The base year for the index
17 shall be the end of the third quarter of 1982. Prior to November 1,
18 1983, and prior to each November 1st thereafter, the department of
19 revenue shall establish another index figure for the third quarter of
20 that year. The department of revenue may use the implicit price
21 deflators for state and local government purchases of goods and
22 services calculated by the United States department of commerce to
23 establish the governmental price index. Beginning on January 1, 1984,
24 and each January 1st thereafter, the one hundred fifty thousand dollar
25 base figure in this subsection shall be adjusted in direct proportion
26 to the percentage change in the governmental price index from 1982
27 until the year before the adjustment. Distributions made under this
28 subsection for 1984 and thereafter shall use this adjusted base amount
29 figure.

30 (3) Subsequent to the distributions under subsection (2) of this
31 section and at such times as distributions are made under RCW
32 82.44.150, the state treasurer shall apportion to each county imposing
33 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
34 receiving less than seventy percent of the statewide weighted average
35 per capita level of revenues for the unincorporated areas of all
36 counties as determined by the department of revenue under subsection
37 (1) of this section, an amount from the county sales and use tax

1 equalization account sufficient, when added to the per capita level of
2 revenues for the unincorporated area received the previous calendar
3 year by the county, to equal seventy percent of the statewide weighted
4 average per capita level of revenues for the unincorporated areas of
5 all counties determined under subsection (1) of this section, subject
6 to reduction under subsections (6) and (7) of this section. When
7 computing distributions under this section, any distribution under
8 subsection (2) of this section shall be considered revenues received
9 from the tax imposed under RCW 82.14.030(1) for the previous calendar
10 year.

11 (4) Subsequent to the distributions under subsection (3) of this
12 section and at such times as distributions are made under RCW
13 82.44.150, the state treasurer shall apportion to each county imposing
14 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
15 receiving a distribution under subsection (2) of this section, a third
16 distribution from the county sales and use tax equalization account.
17 The distribution to each qualifying county shall be equal to the
18 distribution to the county under subsection (2) of this section,
19 subject to the reduction under subsections (6) and (7) of this section.
20 To qualify for the total distribution under this subsection, the county
21 must impose the tax under RCW 82.14.030(2) for the entire calendar
22 year. Counties imposing the tax for less than the full year shall
23 qualify for prorated allocations under this subsection proportionate to
24 the number of months of the year during which the tax is imposed.

25 (5) Subsequent to the distributions under subsection (4) of this
26 section and at such times as distributions are made under RCW
27 82.44.150, the state treasurer shall apportion to each county imposing
28 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
29 receiving a distribution under subsection (3) of this section, a fourth
30 distribution from the county sales and use tax equalization account.
31 The distribution to each qualifying county shall be equal to the
32 distribution to the county under subsection (3) of this section,
33 subject to the reduction under subsections (6) and (7) of this section.
34 To qualify for the distributions under this subsection, the county must
35 impose the tax under RCW 82.14.030(2) for the entire calendar year.
36 Counties imposing the tax for less than the full year shall qualify for

1 prorated allocations under this subsection proportionate to the number
2 of months of the year during which the tax is imposed.

3 (6) Revenues distributed under subsections (2) through (5) of this
4 section in any calendar year shall not exceed an amount equal to
5 seventy percent of the statewide weighted average per capita level of
6 revenues for the unincorporated areas of all counties during the
7 previous calendar year. If distributions under subsections (3) through
8 (5) of this section cannot be made because of this limitation, then
9 distributions under subsections (3) through (5) of this section shall
10 be reduced ratably among the qualifying counties.

11 (7) If inadequate revenues exist in the county sales and use tax
12 equalization account to make the distributions under subsections (3)
13 through (5) of this section, then the distributions under subsections
14 (3) through (5) of this section shall be reduced ratably among the
15 qualifying counties. At such time during the year as additional funds
16 accrue to the county sales and use tax equalization account, additional
17 distributions shall be made under subsections (3) through (5) of this
18 section to the counties.

19 (8) If the level of revenues in the county sales and use tax
20 equalization account exceeds the amount necessary to make the
21 distributions under subsections (2) through (5) of this section, at
22 such times as distributions are made under RCW 82.44.150, the state
23 treasurer shall apportion an amount to the county public health account
24 created in RCW 70.05.125 equal to the adjustment under RCW
25 70.05.125(2)(b).

26 (9) If the level of revenues in the county sales and use tax
27 equalization account exceeds the amount necessary to make the
28 distributions under subsections (2) through (5) and (8) of this
29 section, then the additional revenues shall be credited and transferred
30 as follows:

31 (a) Fifty percent to the public facilities construction loan
32 revolving account under RCW 43.160.080; and

33 (b) Fifty percent to the distressed county public facilities
34 construction loan account under RCW 43.160.220, or so much thereof as
35 will not cause the balance in the account to exceed twenty-five million
36 dollars. Any remaining funds shall be deposited into the public
37 facilities construction loan revolving account.

1 (10) During the 2003-2005 fiscal biennium, the legislature may
2 transfer from the county sales and use tax equalization account to the
3 state general fund such amounts as reflect the excess fund balance of
4 the account.

5 **Sec. 942.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read
6 as follows:

7 There is created in the state treasury a special account to be
8 known as the "municipal sales and use tax equalization account." Into
9 this account shall be placed such revenues as are provided under RCW
10 82.44.110(1)(e). Funds in this account shall be allocated by the state
11 treasurer according to the following procedure:

12 (1) Prior to January 1st of each year the department of revenue
13 shall determine the total and the per capita levels of revenues for
14 each city and the statewide weighted average per capita level of
15 revenues for all cities imposing the sales and use tax authorized under
16 RCW 82.14.030(1) for the previous calendar year.

17 (2) At such times as distributions are made under RCW 82.44.150,
18 the state treasurer shall apportion to each city not imposing the sales
19 and use tax under RCW 82.14.030(2) an amount from the municipal sales
20 and use tax equalization account equal to the amount distributed to the
21 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

22 (3) Subsequent to the distributions under subsection (2) of this
23 section, and at such times as distributions are made under RCW
24 82.44.150, the state treasurer shall apportion to each city imposing
25 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
26 receiving less than seventy percent of the statewide weighted average
27 per capita level of revenues for all cities as determined by the
28 department of revenue under subsection (1) of this section, an amount
29 from the municipal sales and use tax equalization account sufficient,
30 when added to the per capita level of revenues received the previous
31 calendar year by the city, to equal seventy percent of the statewide
32 weighted average per capita level of revenues for all cities determined
33 under subsection (1) of this section, subject to reduction under
34 subsection (6) of this section.

35 (4) Subsequent to the distributions under subsection (3) of this
36 section, and at such times as distributions are made under RCW

1 82.44.150, the state treasurer shall apportion to each city imposing
2 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
3 receiving a distribution under subsection (3) of this section, a third
4 distribution from the municipal sales and use tax equalization account.
5 The distribution to each qualifying city shall be equal to the
6 distribution to the city under subsection (3) of this section, subject
7 to the reduction under subsection (6) of this section. To qualify for
8 the distributions under this subsection, the city must impose the tax
9 under RCW 82.14.030(2) for the entire calendar year. Cities imposing
10 the tax for less than the full year shall qualify for prorated
11 allocations under this subsection proportionate to the number of months
12 of the year during which the tax is imposed.

13 (5) For a city with an official incorporation date after January 1,
14 1990, municipal sales and use tax equalization distributions shall be
15 made according to the procedures in this subsection. Municipal sales
16 and use tax equalization distributions to eligible new cities shall be
17 made at the same time as distributions are made under subsections (3)
18 and (4) of this section. The department of revenue shall follow the
19 estimating procedures outlined in this subsection until the new city
20 has received a full year's worth of revenues under RCW 82.14.030(1) as
21 of the January municipal sales and use tax equalization distribution.

22 (a) Whether a newly incorporated city determined to receive funds
23 under this subsection receives its first equalization payment at the
24 January, April, July, or October municipal sales and use tax
25 equalization distribution shall depend on the date the city first
26 imposes the tax authorized under RCW 82.14.030(1).

27 (i) A newly incorporated city imposing the tax authorized under RCW
28 82.14.030(1) effective as of January 1st shall be eligible to receive
29 funds under this subsection beginning with the April municipal sales
30 and use tax equalization distribution of that year.

31 (ii) A newly incorporated city imposing the tax authorized under
32 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
33 shall be eligible to receive funds under this subsection beginning with
34 the July municipal sales and use tax equalization distribution of that
35 year.

36 (iii) A newly incorporated city imposing the tax authorized under
37 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall

1 be eligible to receive funds under this subsection beginning with the
2 October municipal sales and use tax equalization distribution of that
3 year.

4 (iv) A newly incorporated city imposing the tax authorized under
5 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
6 1st shall be eligible to receive funds under this subsection beginning
7 with the January municipal sales and use tax equalization distribution
8 of the next year.

9 (v) A newly incorporated city imposing the tax authorized under RCW
10 82.14.030(1) effective as of November 1st or December 1st shall be
11 eligible to receive funds under this subsection beginning with the
12 April municipal sales and use tax equalization distribution of the next
13 year.

14 (b) For purposes of calculating the amount of funds the new city
15 should receive under this subsection, the department of revenue shall:

16 (i) Estimate the per capita amount of revenues from the tax
17 authorized under RCW 82.14.030(1) that the new city would have received
18 had the city received revenues from the tax the entire calendar year;

19 (ii) Calculate the amount provided under subsection (3) of this
20 section based on the per capita revenues determined under (b)(i) of
21 this subsection;

22 (iii) Prorate the amount determined under (b)(ii) of this
23 subsection by the number of months the tax authorized under RCW
24 82.14.030(1) is imposed.

25 (c) A new city imposing the tax under RCW 82.14.030(2) at the
26 maximum rate and receiving a distribution calculated under (b) of this
27 subsection shall receive another distribution from the municipal sales
28 and use tax equalization account. This distribution shall be equal to
29 the calculation made under (b)(ii) of this subsection, prorated by the
30 number of months the city imposes the tax authorized under RCW
31 82.14.030(2) at the full rate.

32 (d) The department of revenue shall advise the state treasurer of
33 the amounts calculated under (b) and (c) of this subsection and the
34 state treasurer shall distribute these amounts to the new city from the
35 municipal sales and use tax equalization account subject to the
36 limitations imposed in subsection (6) of this section.

1 (e) Revenues estimated under this subsection shall not affect the
2 calculation of the statewide weighted average per capita level of
3 revenues for all cities made under subsection (1) of this section.

4 (6) If inadequate revenues exist in the municipal sales and use tax
5 equalization account to make the distributions under subsection (3),
6 (4), or (5) of this section, then the distributions under subsections
7 (3), (4), and (5) of this section shall be reduced ratably among the
8 qualifying cities. At such time during the year as additional funds
9 accrue to the municipal sales and use tax equalization account,
10 additional distributions shall be made under subsections (3), (4), and
11 (5) of this section to the cities.

12 (7) If the level of revenues in the municipal sales and use tax
13 equalization account exceeds the amount necessary to make the
14 distributions under subsections (2) through (5) of this section, then
15 the additional revenues shall be apportioned among the several cities
16 within the state ratably on the basis of population as last determined
17 by the office of financial management: PROVIDED, That no such
18 distribution shall be made to those cities receiving a distribution
19 under subsection (2) of this section.

20 (8) During the 2003-2005 fiscal biennium, the legislature may
21 transfer from the municipal sales and use tax equalization account to
22 the state general fund such amounts as reflect the excess fund balance
23 in the account.

24 **Sec. 943.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to
25 read as follows:

26 The flood control assistance account is hereby established in the
27 state treasury. At the beginning of the 1997-99 fiscal biennium and
28 each biennium thereafter the state treasurer shall transfer four
29 million dollars from the general fund to the flood control assistance
30 account. Moneys in the flood control assistance account may be spent
31 only after appropriation for purposes specified under this chapter
32 (~~(or, during the 1997-99 fiscal biennium, for transfer to the disaster~~
33 ~~response account)). During the 2003-2005 fiscal biennium, the~~
34 legislature may transfer from the flood control assistance account to
35 the state general fund such amounts as reflect the excess fund balance
36 of the account.

1 NEW SECTION. **Sec. 944.** During the 2003-05 fiscal biennium, the
2 requirement is suspended that the department of social and health
3 services issue the reports required by the following statutes; however,
4 the department shall continue to maintain any required data.

5 (1) RCW 74.08A.130 (naturalization facilitation);

6 (2) RCW 74.14C.080 (intensive family preservation services);

7 (3) RCW 74.20A.340(1) (license suspension);

8 (4) RCW 71.24.460 (mentally ill offender community transition);

9 (5) Section 910, chapter 7, Laws of 2001 2nd sp. sess. (voluntary
10 retirement);

11 (6) RCW 80.36.475 (telephone assistance); and

12 (7) RCW 72.23.450 (state hospitals).

13 NEW SECTION. **Sec. 945.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 946.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and takes effect
20 immediately.

(End of part)

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By Conference Committee

ADOPTED 06/04/2003

1 On page 1, line 1 of the title, after "matters;" strike the
2 remainder of the title and insert "amending RCW 19.28.351, 28A.305.210,
3 28A.500.030, 38.52.106, 43.03.050, 43.08.190, 43.10.180, 43.43.944,
4 43.320.110, 46.09.170, 48.02.190, 49.26.130, 50.16.010, 51.44.170,
5 66.08.190, 66.16.010, 67.40.040, 69.50.520, 70.79.350, 70.94.483,
6 70.105D.070, 70.146.030, 70.146.080, 72.11.040, 76.12.050, 76.12.170,
7 79.08.180, 80.01.080, 82.14.200, 82.14.210, and 86.26.007; reenacting
8 and amending RCW 41.50.110, 43.08.250, and 43.135.045; amending 2003 c
9 10 s 708 (uncodified); adding a new section to 2003 c 360 (uncodified);
10 creating new sections; repealing 2003 c 360 s 408 (uncodified); making
11 appropriations; and declaring an emergency."

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