
ENGROSSED SUBSTITUTE SENATE BILL 5404

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senator Rossi; by request of Governor Locke)

READ FIRST TIME 04/04/03.

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100,
2 19.28.351, 28A.500.030, 36.18.010, 38.52.106, 41.50.110, 43.08.190,
3 43.03.050, 43.10.180, 43.43.944, 43.320.110, 46.09.170, 48.02.190,
4 49.26.130, 50.16.010, 51.44.170, 67.40.040, 69.50.520, 70.79.350,
5 70.146.030, 80.01.080, 82.14.200, 82.14.210, and 86.26.007; reenacting
6 and amending RCW 43.08.250 and 43.135.045; amending 2003 c . . . (SSB
7 5403) s 707 (uncodified); creating new sections; making appropriations;
8 and declaring an emergency.

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

10 NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject
11 to the provisions set forth in the following sections, the several
12 amounts specified in parts I through VIII of this act, or so much
13 thereof as shall be sufficient to accomplish the purposes designated,
14 are hereby appropriated and authorized to be incurred for salaries,
15 wages, and other expenses of the agencies and offices of the state and
16 for other specified purposes for the fiscal biennium beginning July 1,
17 2003, and ending June 30, 2005, except as otherwise provided, out of
18 the several funds of the state hereinafter named.

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

3 (a) "Fiscal year 2004" or "FY 2004" means the fiscal year ending
4 June 30, 2004.

5 (b) "Fiscal year 2005" or "FY 2005" means the fiscal year ending
6 June 30, 2005.

7 (c) "FTE" means full time equivalent.

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

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

15 **PART I**
16 **GENERAL GOVERNMENT**

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

| | | |
|----|---|--------------|
| 18 | General Fund--State Appropriation (FY 2004) | \$27,000,000 |
| 19 | General Fund--State Appropriation (FY 2005) | \$27,207,000 |
| 20 | Department of Retirement Systems Expense Account-- | |
| 21 | State Appropriation | \$45,000 |
| 22 | TOTAL APPROPRIATION | \$54,252,000 |

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

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

28 (2) \$171,000 of the general fund--state appropriation is provided
29 for the legislative ethics board.

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

| | | |
|----|---|--------------|
| 31 | General Fund--State Appropriation (FY 2004) | \$21,222,000 |
| 32 | General Fund--State Appropriation (FY 2005) | \$22,396,000 |
| 33 | Department of Retirement Systems Expense Account-- | |
| 34 | State Appropriation | \$45,000 |
| 35 | TOTAL APPROPRIATION | \$43,663,000 |

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

3 (1) \$25,000 of the general fund--state appropriation is provided
4 for allocation to Project Citizen, a program of the national conference
5 of state legislatures to promote student civic involvement.

6 (2) \$171,000 of the general fund--state appropriation is provided
7 for the legislative ethics board.

8 NEW SECTION. **Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
9 **COMMITTEE**

| | | |
|----|---|-------------|
| 10 | General Fund--State Appropriation (FY 2004) | \$1,673,000 |
| 11 | General Fund--State Appropriation (FY 2005) | \$1,763,000 |
| 12 | TOTAL APPROPRIATION | \$3,436,000 |

13 The appropriations in this section are subject to the following
14 conditions and limitations: The appropriations in this section provide
15 for several studies required by 2003 legislation, including Senate Bill
16 No. 5325 (impact funds to cities). In addition to the study of
17 positive and negative impacts of state facilities described in the
18 bill, the joint legislative audit and review committee shall also study
19 the impacts of the Rainier school for developmentally disabled persons
20 in Buckley, Washington.

21 NEW SECTION. **Sec. 104. FOR THE LEGISLATIVE EVALUATION AND**
22 **ACCOUNTABILITY PROGRAM COMMITTEE**

| | | |
|----|---|-------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$1,597,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$1,745,000 |
| 25 | TOTAL APPROPRIATION | \$3,342,000 |

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

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

7 (2) Not later than July 1, 2004, the legislative evaluation and
8 accountability program committee shall submit the regional cost-of-
9 living index to an advisory committee for its review. The advisory
10 committee shall be appointed by the governor and shall consist of one
11 member representing the office of financial management, one member
12 representing the employment security department, one member
13 representing the office of the superintendent of public instruction,
14 and three representatives of the private sector having demonstrated
15 expertise in regional economics. The advisory committee shall not
16 receive compensation for performance of its duties but may be
17 reimbursed for travel expenses in accordance with RCW 43.03.050 and
18 43.03.060.

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

24 NEW SECTION. **Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY**
25 Department of Retirement Systems Expense Account--
26 State Appropriation \$2,143,000

27 NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**
28 **COMMITTEE**
29 General Fund--State Appropriation (FY 2004) \$6,767,000
30 General Fund--State Appropriation (FY 2005) \$6,766,000
31 TOTAL APPROPRIATION \$13,533,000

32 NEW SECTION. **Sec. 107. FOR THE STATUTE LAW COMMITTEE**
33 General Fund--State Appropriation (FY 2004) \$3,897,000
34 General Fund--State Appropriation (FY 2005) \$4,000,000
35 TOTAL APPROPRIATION \$7,897,000

1 NEW SECTION. **Sec. 108. LEGISLATIVE AGENCIES.** In order to achieve
 2 operating efficiencies within the financial resources available to the
 3 legislative branch, the executive rules committee of the house of
 4 representatives and the facilities and operations committee of the
 5 senate by joint action may transfer funds among the house of
 6 representatives, senate, joint legislative audit and review committee,
 7 legislative evaluation and accountability program committee,
 8 legislative transportation committee, office of the state actuary,
 9 joint legislative systems committee, and statute law committee.

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

| | | |
|----|---|--------------|
| 11 | General Fund--State Appropriation (FY 2004) | \$5,487,000 |
| 12 | General Fund--State Appropriation (FY 2005) | \$5,690,000 |
| 13 | TOTAL APPROPRIATION | \$11,177,000 |

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

| | | |
|----|---|-------------|
| 15 | General Fund--State Appropriation (FY 2004) | \$2,001,000 |
| 16 | General Fund--State Appropriation (FY 2005) | \$2,006,000 |
| 17 | TOTAL APPROPRIATION | \$4,007,000 |

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

| | | |
|----|---|--------------|
| 19 | General Fund--State Appropriation (FY 2004) | \$12,595,000 |
| 20 | General Fund--State Appropriation (FY 2005) | \$12,831,000 |
| 21 | TOTAL APPROPRIATION | \$25,426,000 |

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

| | | |
|----|---|-------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$859,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$861,000 |
| 25 | TOTAL APPROPRIATION | \$1,720,000 |

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

| | | |
|----|---|--------------|
| 27 | General Fund--State Appropriation (FY 2004) | \$18,465,000 |
| 28 | General Fund--State Appropriation (FY 2005) | \$18,310,000 |
| 29 | Public Safety and Education Account--State | |
| 30 | Appropriation | \$34,673,000 |
| 31 | Judicial Information Systems Account--State | |
| 32 | Appropriation | \$25,549,000 |
| 33 | TOTAL APPROPRIATION | \$96,997,000 |

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

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

7 (2) \$531,000 of the public safety and education account
8 appropriation is provided solely for allocation to the department of
9 community, trade, and economic development for civil indigent legal
10 services.

11 (3) \$750,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$750,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided solely for court-appointed special
14 advocates in dependency matters. The administrator for the courts,
15 after consulting with the association of juvenile court administrators
16 and the association of court-appointed special advocate/guardian ad
17 litem programs, shall distribute the funds to volunteer court-appointed
18 special advocate/guardian ad litem programs. The distribution of
19 funding shall be based on the number of children who need volunteer
20 court-appointed special advocate representation and shall be equally
21 accessible to all volunteer court-appointed special advocate/guardian
22 ad litem programs. The administrator for the courts shall not retain
23 more than six percent of total funding to cover administrative or any
24 other agency costs.

25 (4) \$750,000 of the public safety and education account--state
26 appropriation is provided solely for judicial program enhancements.
27 Within the funding provided in this subsection, the administrator for
28 the courts, in consultation with the supreme court, shall determine the
29 program or programs to receive an enhancement. Among the programs that
30 may be funded from the amount provided in this subsection are unified
31 family courts.

32 (5) \$9,937,000 of the judicial information systems account--state
33 appropriation is provided solely for improvements and enhancements to
34 the judicial information system. This funding shall only be expended
35 after the office of the administrator for the courts certifies to the
36 office of financial management that there will be at least a \$1,000,000
37 ending fund balance in the judicial information systems account at the
38 end of the 2003-05 biennium.

1 (6) \$3,000,000 of the public safety and education account--state
2 appropriation is provided solely for school district petitions to
3 juvenile court for truant students as provided in RCW 28A.225.030 and
4 28A.225.035. The office of the administrator for the courts shall
5 develop an interagency agreement with the office of the superintendent
6 of public instruction to allocate the funding provided in this
7 subsection. Allocation of this money to school districts shall be
8 based on the number of petitions filed.

9 (7) \$13,224,000 of the public safety and education account--state
10 appropriation is provided solely for distribution to county juvenile
11 court administrators to fund the costs of processing truancy, children
12 in need of services, and at-risk youth petitions. The office of the
13 administrator for the courts shall not retain any portion of these
14 funds to cover administrative costs. The office of the administrator
15 for the courts, in conjunction with the juvenile court administrators,
16 shall develop an equitable funding distribution formula. The formula
17 shall neither reward counties with higher than average per-petition
18 processing costs nor shall it penalize counties with lower than average
19 per-petition processing costs.

20 (8) The distributions made under subsection (7) of this section and
21 distributions from the county criminal justice assistance account made
22 pursuant to section 801 of this act constitute appropriate
23 reimbursement for costs for any new programs or increased level of
24 service for purposes of RCW 43.135.060.

25 (9) Each quarter during the 2003-05 fiscal biennium, each county
26 shall report the number of petitions processed and the total actual
27 costs of processing the petitions in each of the following categories:
28 Truancy, children in need of services, and at-risk youth. Counties
29 shall submit the reports to the department no later than 45 days after
30 the end of the quarter. The office of the administrator for the courts
31 shall forward this information to the chair and ranking minority member
32 of the house of representatives appropriations committee and the senate
33 ways and means committee no later than 60 days after a quarter ends.
34 These reports are deemed informational in nature and are not for the
35 purpose of distributing funds.

36 (10) \$1,813,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$1,562,000 of the general fund--state appropriation for
38 fiscal year 2005 are provided solely for the purposes of Senate Bill

1 No. 6002 (financial obligations). If the bill is not enacted by July
2 1, 2003, this funding shall lapse. Of these amounts, \$813,000 of the
3 general fund--state appropriation for fiscal year 2004 and \$762,000 of
4 the general fund--state appropriation for fiscal year 2005 are provided
5 solely for billing and directly related costs for the office for the
6 administrator for the courts. The remaining general fund--state
7 appropriation for fiscal year 2004 of \$1,000,000 and the remaining
8 general fund--state appropriation for fiscal year 2005 are provided
9 solely for distribution to the county clerks for collection of legal
10 financial obligations. The funding shall be distributed by the office
11 for the administrator for the courts to the county clerks, based on a
12 funding formula determined by the Washington association of county
13 officials, as described in Senate Bill No. 6002.

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

| | | |
|----|---|--------------|
| 15 | General Fund--State Appropriation (FY 2004) | \$666,000 |
| 16 | General Fund--State Appropriation (FY 2005) | \$884,000 |
| 17 | Public Safety and Education Account--State | |
| 18 | Appropriation | \$12,383,000 |
| 19 | TOTAL APPROPRIATION | \$13,933,000 |

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

22 (1) \$51,000 of the public safety and education account
23 appropriation is provided solely for the implementation of chapter 303,
24 Laws of 1999 (extraordinary criminal justice costs).

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

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

| | | |
|----|---|--------------|
| 29 | General Fund--State Appropriation (FY 2004) | \$4,089,000 |
| 30 | General Fund--State Appropriation (FY 2005) | \$3,892,000 |
| 31 | General Fund--Federal Appropriation | \$1,120,000 |
| 32 | Water Quality Account--State Appropriation | \$3,716,000 |
| 33 | TOTAL APPROPRIATION | \$12,817,000 |

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

1 (1) \$3,716,000 of the water quality account appropriation and
2 \$1,120,000 of the general fund--federal appropriation are provided
3 solely for the Puget Sound water quality action team to implement the
4 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

5 (2) \$300,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$100,000 of the general fund--state appropriation for
7 fiscal year 2005 shall be used to develop and disseminate
8 scientifically-based, voluntary, kindergarten readiness standards.

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

| | | |
|----|---|-------------|
| 10 | General Fund--State Appropriation (FY 2004) | \$548,000 |
| 11 | General Fund--State Appropriation (FY 2005) | \$550,000 |
| 12 | TOTAL APPROPRIATION | \$1,098,000 |

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

| | | |
|----|---|-------------|
| 14 | General Fund--State Appropriation (FY 2004) | \$1,795,000 |
| 15 | General Fund--State Appropriation (FY 2005) | \$1,778,000 |
| 16 | TOTAL APPROPRIATION | \$3,573,000 |

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

| | | |
|----|--|--------------|
| 18 | General Fund--State Appropriation (FY 2004) | \$22,742,000 |
| 19 | General Fund--State Appropriation (FY 2005) | \$15,276,000 |
| 20 | General Fund--Federal Appropriation | \$20,058,000 |
| 21 | Archives and Records Management Account--State | |
| 22 | Appropriation | \$8,960,000 |
| 23 | Archives and Records Management Account--Private/Local | |
| 24 | Appropriation | \$7,023,000 |
| 25 | Department of Personnel Service Account | |
| 26 | Appropriation | \$693,000 |
| 27 | TOTAL APPROPRIATION | \$74,752,000 |

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

30 (1) \$2,296,000 of the general fund--state appropriation for fiscal
31 year 2004 is provided solely to reimburse counties for the state's
32 share of primary and general election costs and the costs of conducting
33 mandatory recounts on state measures. Counties shall be reimbursed
34 only for those odd-year election costs that the secretary of state
35 validates as eligible for reimbursement.

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

7 (3) \$125,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$118,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for legal advertising of state
10 measures under RCW 29.27.072.

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

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

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

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

35 (i) Attempting to influence the passage or defeat of any
36 legislation by the legislature of the state of Washington, by any
37 county, city, town, or other political subdivision of the state of

1 Washington, or by the congress, or the adoption or rejection of any
2 rule, standard, rate, or other legislative enactment of any state
3 agency;

4 (ii) Making contributions reportable under chapter 42.17 RCW; or
5 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
6 lodging, meals, or entertainment to a public officer or employee.

7 (5) \$867,000 of the archives and records management account--state
8 appropriation is provided solely for operation of the central
9 microfilming bureau under RCW 40.14.020(8).

10 (6) \$6,340,000 of the general fund--state appropriation for fiscal
11 year 2004 is provided solely to reimburse the counties for the state's
12 share of the cost of conducting the presidential primary.

13 (7) \$600,000 of the archives and record management--private/local
14 appropriation is provided solely to assist local governments in
15 disaster recovery efforts to protect and preserve archival documents,
16 upon approval of the director of financial management. A committee
17 composed of the secretary of state, or designee, the state archivist,
18 one county auditor, one county clerk member of the archives oversight
19 committee, and a representative from the office of financial management
20 shall establish the funding criteria and process by September 30, 2003.
21 The division of archives shall submit an annual report to the office of
22 financial management and the legislative fiscal committees detailing
23 disaster recovery costs from this appropriation by individual disaster.
24 The report shall include: (a) Estimates of total costs; (b) actual
25 expenditures to date; and (c) estimates of total remaining expenditures
26 to be paid.

27 (8) Funding is provided for the continued operation of the
28 institutional libraries operated by the state library.

29 NEW SECTION. **Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN**
30 **AFFAIRS**

| | | |
|----|---|-----------|
| 31 | General Fund--State Appropriation (FY 2004) | \$235,000 |
| 32 | General Fund--State Appropriation (FY 2005) | \$247,000 |
| 33 | TOTAL APPROPRIATION | \$482,000 |

34 The appropriations in this section are subject to the following
35 conditions and limitations: \$10,000 of the general fund--state
36 appropriation for fiscal year 2004 is provided solely to facilitate the
37 colocation, including remodeling costs, of the office of Indian Affairs

1 into the same facility shared by the commission on Asian Pacific
2 American Affairs, commission on African American Affairs, and the
3 commission on Hispanic Affairs.

4 NEW SECTION. **Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN**
5 **AFFAIRS**

| | | |
|---|---|-----------|
| 6 | General Fund--State Appropriation (FY 2004) | \$192,000 |
| 7 | General Fund--State Appropriation (FY 2005) | \$192,000 |
| 8 | TOTAL APPROPRIATION | \$384,000 |

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

| | | |
|----|--|--------------|
| 10 | State Treasurer's Service Account--State Appropriation . . | \$12,713,000 |
|----|--|--------------|

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

| | | |
|----|---|--------------|
| 12 | General Fund--State Appropriation (FY 2004) | \$1,506,000 |
| 13 | General Fund--State Appropriation (FY 2005) | \$707,000 |
| 14 | State Auditing Services Revolving Account--State | |
| 15 | Appropriation | \$12,015,000 |
| 16 | TOTAL APPROPRIATION | \$14,228,000 |

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

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

24 (2) \$706,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$707,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for staff and related costs to
27 verify the accuracy of reported school district data submitted for
28 state funding purposes; conduct school district program audits of state
29 funded public school programs; establish the specific amount of state
30 funding adjustments whenever audit exceptions occur and the amount is
31 not firmly established in the course of regular public school audits;
32 and to assist the state special education safety net committee when
33 requested.

34 (3) \$800,000 of the general fund--state appropriation for fiscal

1 year 2004 is provided solely to implement Substitute Senate Bill No.
2 5909 (governmental accountability). If the bill is not enacted by June
3 30, 2003, the amount provided in this subsection shall lapse.

4 NEW SECTION. **Sec. 123. FOR THE CITIZENS' COMMISSION ON SALARIES**
5 **FOR ELECTED OFFICIALS**

| | | |
|---|---|-----------|
| 6 | General Fund--State Appropriation (FY 2004) | \$77,000 |
| 7 | General Fund--State Appropriation (FY 2005) | \$150,000 |
| 8 | TOTAL APPROPRIATION | \$227,000 |

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

| | | |
|----|---|---------------|
| 10 | General Fund--State Appropriation (FY 2004) | \$4,134,000 |
| 11 | General Fund--State Appropriation (FY 2005) | \$4,190,000 |
| 12 | General Fund--Federal Appropriation | \$2,841,000 |
| 13 | Public Safety and Education Account--State | |
| 14 | Appropriation | \$1,810,000 |
| 15 | New Motor Vehicle Arbitration Account--State | |
| 16 | Appropriation | \$1,180,000 |
| 17 | Legal Services Revolving Account--State | |
| 18 | Appropriation | \$164,809,000 |
| 19 | Tobacco Prevention and Control Account--State | |
| 20 | Appropriation | \$270,000 |
| 21 | TOTAL APPROPRIATION | \$179,234,000 |

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

24 (1) The attorney general shall report each fiscal year on actual
25 legal services expenditures and actual attorney staffing levels for
26 each agency receiving legal services. The report shall be submitted to
27 the office of financial management and the fiscal committees of the
28 senate and house of representatives no later than ninety days after the
29 end of each fiscal year.

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

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

| | |
|---|-------------|
| General Fund--State Appropriation (FY 2004) | \$639,000 |
| General Fund--State Appropriation (FY 2005) | \$640,000 |
| TOTAL APPROPRIATION | \$1,279,000 |

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

| | |
|---|---------------|
| General Fund--State Appropriation (FY 2004) | \$59,082,000 |
| General Fund--State Appropriation (FY 2005) | \$58,430,000 |
| General Fund--Federal Appropriation | \$194,218,000 |
| General Fund--Private/Local Appropriation | \$10,598,000 |
| Public Safety and Education Account--State Appropriation | \$10,103,000 |
| Public Works Assistance Account--State Appropriation | \$1,929,000 |
| Building Code Council Account--State Appropriation | \$1,065,000 |
| Administrative Contingency Account--State Appropriation | \$1,774,000 |
| Low-Income Weatherization Assistance Account--State Appropriation | \$3,293,000 |
| Violence Reduction and Drug Enforcement Account--State Appropriation | \$8,335,000 |
| Manufactured Home Installation Training Account--State Appropriation | \$258,000 |
| Community and Economic Development Fee Account--State Appropriation | \$1,909,000 |
| Washington Housing Trust Account--State Appropriation | \$16,770,000 |
| Public Facility Construction Loan Revolving Account--State Appropriation | \$626,000 |
| TOTAL APPROPRIATION | \$368,390,000 |

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

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

1 (2) \$61,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$62,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the implementation of the
4 Puget Sound work plan and agency action item OCD-01.

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

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

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

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

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

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

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

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

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

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

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

32 (k) \$572,919 to the office of financial management for criminal
33 history records improvement;

34 (l) \$864,228 to the department for required grant administration,
35 monitoring, and reporting on Byrne formula grant programs.

36 These amounts represent the maximum Byrne grant expenditure
37 authority for each program. No program may expend Byrne grant funds in
38 excess of the amounts provided in this subsection. If moneys in excess

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

10 (4) \$5,085,000 of the general fund--state appropriation for fiscal
11 year 2004, \$5,085,000 of the general fund--state appropriation for
12 fiscal year 2005, and \$6,145,000 of the Washington housing trust
13 account are provided solely for providing housing and shelter for
14 homeless people, including but not limited to grants to operate,
15 repair, and staff shelters; grants to operate transitional housing;
16 partial payments for rental assistance; consolidated emergency
17 assistance; overnight youth shelters; and emergency shelter assistance.

18 (5) Up to \$300,000 of the Washington housing trust account
19 appropriation shall be used to study the impacts of publicly funded
20 housing projects on local services such as, but not limited to, fire
21 and police services.

22 (6) \$697,000 of the community economic development account
23 appropriation is provided solely for support of the developmental
24 disabilities endowment governing board and costs of the endowment
25 program. The governing board may use appropriations to implement a
26 sliding-scale fee waiver for families earning below 150 percent of the
27 state median family income.

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

1 state. Repayments of loans granted under chapter 43.63A RCW shall be
2 made to the lender or contract collection agent as long as the loan is
3 outstanding, notwithstanding the repeal of the chapter.

4 (8) \$4,609,000 of the public safety and education account and
5 \$2,824,000 of the violence reduction and drug enforcement account are
6 provided solely for civil indigent legal services.

7 (9) \$26,862,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$26,862,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for providing early childhood
10 education assistance.

11 (10) \$150,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$150,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for a contract with the Washington
14 manufacturing services.

15 (11) \$400,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$400,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the foreign offices (overseas
18 representatives) to expand local capacity for China, expand operations
19 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
20 exporters in expanding their sales opportunities.

21 (12) \$300,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$300,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for the business retention and
24 expansion program to fund contracts with locally based development
25 organizations for local business and job retention activities.

26 (13) \$200,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$200,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the tourism office to market
29 Washington state as a travel destination to northwest states,
30 California, and British Columbia. By December 1, 2004, the department
31 shall report to the relevant legislative policy and fiscal committees
32 on the effectiveness of these expenditures.

33 (14) \$200,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$200,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for business development
36 activities to conduct statewide and/or regional business recruitment
37 and client lead generation services.

1 (15) \$50,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$50,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for a contract with international
4 trade alliance of Spokane.

5 (16) \$205,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$205,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for grants to Washington Columbia
8 River Gorge counties to implement their responsibilities under the
9 national scenic area management plan. Of this amount, \$390,000 is
10 provided for Skamania county and \$20,000 is provided for Clark county.

11 NEW SECTION. **Sec. 127. FOR THE ECONOMIC AND REVENUE FORECAST**
12 **COUNCIL**

| | | |
|----|---|-------------|
| 13 | General Fund--State Appropriation (FY 2004) | \$518,000 |
| 14 | General Fund--State Appropriation (FY 2005) | \$519,000 |
| 15 | TOTAL APPROPRIATION | \$1,037,000 |

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

| | | |
|----|--|--------------|
| 17 | General Fund--State Appropriation (FY 2004) | \$13,736,000 |
| 18 | General Fund--State Appropriation (FY 2005) | \$13,454,000 |
| 19 | General Fund--Federal Appropriation | \$23,492,000 |
| 20 | Violence Reduction and Drug Enforcement Account--State | |
| 21 | Appropriation | \$230,000 |
| 22 | State Auditing Services Revolving Account--State | |
| 23 | Appropriation | \$25,000 |
| 24 | TOTAL APPROPRIATION | \$50,937,000 |

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

27 (1) \$607,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$599,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely to implement Substitute Senate
30 Bill No. 5909 (governmental accountability). If the bill is not
31 enacted by June 30, 2003, the amounts provided in this subsection shall
32 lapse.

33 (2) \$50,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$50,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely to implement a pilot project to

1 develop an integrated environmental permit system pursuant to
2 Substitute Senate Bill No. 5909. If the bill is not enacted by June
3 30, 2003, the amounts provided in this subsection shall lapse.

4 NEW SECTION. **Sec. 129. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
5 Administrative Hearings Revolving Account--State
6 Appropriation \$24,561,000

7 NEW SECTION. **Sec. 130. FOR THE DEPARTMENT OF PERSONNEL**
8 Department of Personnel Service Account--State
9 Appropriation \$15,988,000
10 Higher Education Personnel Services Account--State
11 Appropriation \$1,638,000
12 TOTAL APPROPRIATION \$17,618,000

13 The appropriations in this section are subject to the following
14 conditions and limitations: The department is authorized to enter into
15 a financing contract for up to \$30,700,000, plus necessary financing
16 expenses and required reserves, pursuant to chapter 39.94 RCW. The
17 contract shall be to purchase, develop, and operationalize a new
18 statewide payroll system and shall be for a term of not more than
19 twelve years. The legislature recognizes the critical nature of the
20 human resource management system and its relationship to successful
21 implementation of civil service reform, collective bargaining, and the
22 ability to permit contracting out of services to the private sector.
23 Projects of this size and complexity have many risks associated with
24 their successful and timely completion, therefore, to help ensure
25 project success, the department of personnel and the office of
26 financial management shall jointly report to the legislature by January
27 15, 2004, on progress toward implementing the human resource management
28 system. The report shall include a description of mitigation
29 strategies employed to address the risks related to: Business
30 requirements not fully defined at the project outset; short time frame
31 for system implementation; and delays experienced by other states. The
32 report shall assess the probability of meeting the system
33 implementation schedule and recommend contingency strategies as needed.
34 The report shall establish the timelines, the critical path, and the
35 dependencies for realizing each of the benefits articulated in the
36 system feasibility study.

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

2 Lottery Administrative Account--State Appropriation . . . \$22,492,000

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

4 General Fund--State Appropriation (FY 2004) \$201,000

5 General Fund--State Appropriation (FY 2005) \$201,000

6 TOTAL APPROPRIATION \$402,000

7 NEW SECTION. **Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN**
8 **AFFAIRS**

9 General Fund--State Appropriation (FY 2004) \$196,000

10 General Fund--State Appropriation (FY 2005) \$197,000

11 TOTAL APPROPRIATION \$393,000

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

13 Department of Personnel Service Account--State

14 Appropriation \$1,729,000

15 NEW SECTION. **Sec. 135. FOR THE STATE INVESTMENT BOARD**

16 General Fund--State Appropriation (FY 2004) \$100,000

17 State Investment Board Expense Account--State

18 Appropriation \$12,396,000

19 TOTAL APPROPRIATION \$12,496,000

20 The appropriation in this section is subject to the following
21 conditions and limitations: \$100,000 of the general fund--state
22 appropriation for fiscal year 2004 is provided solely for a contract
23 with a real estate investment consultant to prepare options and a
24 recommended strategy for the disposal of surplus property that results
25 from the closure of Fircrest School. The report shall be submitted to
26 the appropriate committees of the legislature by December 1, 2003. In
27 developing the recommended strategy, the contractor shall consult with
28 representatives of the city of Shoreline and shall identify the
29 disposal strategy that is estimated to produce the greatest long-term
30 investment return on the property.

31 NEW SECTION. **Sec. 136. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
32 **OPERATIONS**

33 Dependent Care Administrative Account--State

| | | |
|---|--|--------------|
| 1 | Appropriation | \$389,000 |
| 2 | Department of Retirement Systems Expense | |
| 3 | Account--State Appropriation | \$42,532,000 |
| 4 | TOTAL APPROPRIATION | \$42,921,000 |

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

7 (1) \$2,083,000 of the retirement systems expense account
8 appropriation is provided solely for the support of the information
9 systems project known as the electronic document image management
10 system.

11 (2) \$124,000 of the department of retirement systems expense
12 account--state appropriation is provided solely to implement Substitute
13 Senate Bill No. 5094 (substitute teachers' retirement credit). If the
14 bill is not enacted by June 30, 2003, the amount provided in this
15 subsection shall lapse.

16 (3) \$77,000 of the department of retirement systems expense
17 account--state appropriation is provided solely to implement Senate
18 Bill No. 5100 (fallen hero survivor benefits). If the bill is not
19 enacted by June 30, 2003, the amount provided in this subsection shall
20 lapse.

21 (4) \$21,000 of the department of retirement systems expense
22 account--state appropriation is provided solely to implement House Bill
23 No. 1206 (plan 3 contributions). If the bill is not enacted by June
24 30, 2003, the amount provided in this subsection shall lapse.

25 (5) \$30,000 of the department of retirement systems expense
26 account--state appropriation is provided solely to implement House Bill
27 No. 1207 (employee death benefits). If the bill is not enacted by June
28 30, 2003, the amount provided in this subsection shall lapse.

29 (6) \$320,000 of the department of retirement systems expense
30 account--state appropriation is provided solely to implement Substitute
31 House Bill No. 1829 (retire-rehire reform). If the bill is not enacted
32 by June 30, 2003, the amount provided in this subsection shall lapse.

33 (7) \$125,000 of the department of retirement systems expense
34 account--state appropriation is provided solely to implement Substitute
35 House Bill No. 1202 (emergency medical technicians' retirement). If
36 the bill is not enacted by June 30, 2003, the amount provided in this
37 subsection shall lapse.

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

| | | |
|---|---|---------------|
| 2 | General Fund--State Appropriation (FY 2004) | \$78,698,000 |
| 3 | General Fund--State Appropriation (FY 2005) | \$78,270,000 |
| 4 | Timber Tax Distribution Account--State Appropriation . . . | \$5,144,000 |
| 5 | Waste Reduction/Recycling/Litter Control--State | |
| 6 | Appropriation | \$101,000 |
| 7 | State Toxics Control Account--State Appropriation | \$67,000 |
| 8 | Oil Spill Prevention Account--State Appropriation | \$14,000 |
| 9 | TOTAL APPROPRIATION | \$162,294,000 |

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

12 (1) \$145,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$118,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to implement Senate Bill No. 5034
15 (property tax relief for senior citizens due to disability). If the
16 bill is not enacted by June 30, 2003, the amount provided in this
17 subsection shall lapse.

18 (2) \$93,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$210,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely to implement Senate Bill No. 5783
21 (implementation of the streamlined sales tax agreement). If the bill
22 is not enacted by June 30, 2003, the amount provided in this subsection
23 shall lapse.

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

| | | |
|----|---|-------------|
| 25 | General Fund--State Appropriation (FY 2004) | \$1,135,000 |
| 26 | General Fund--State Appropriation (FY 2005) | \$981,000 |
| 27 | TOTAL APPROPRIATION | \$2,116,000 |

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

| | | |
|----|---|-------------|
| 29 | County Research Services Account--State Appropriation | \$769,000 |
| 30 | City and Town Research Services--State Appropriation . . . | \$3,852,000 |
| 31 | TOTAL APPROPRIATION | \$4,621,000 |

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

| | | |
|----|--|-------------|
| 34 | OMWBE Enterprises Account--State | \$2,534,000 |
|----|--|-------------|

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

| | |
|---|--------------|
| General Fund--State Appropriation (FY 2004) | \$263,000 |
| General Fund--State Appropriation (FY 2005) | \$265,000 |
| General Fund--Federal Appropriation | \$3,217,000 |
| General Administration Service Account--State | |
| Appropriation | \$38,328,000 |
| TOTAL APPROPRIATION | \$42,073,000 |

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

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

| | |
|--|-------------|
| Data Processing Revolving Account--State Appropriation | \$3,587,000 |
|--|-------------|

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

| | |
|---|--------------|
| General Fund--Federal Appropriation | \$635,000 |
| Insurance Commissioners Regulatory Account--State | |
| Appropriation | \$31,148,000 |
| TOTAL APPROPRIATION | \$31,783,000 |

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

| | |
|--|-------------|
| Certified Public Accountants' Account--State | |
| Appropriation | \$1,634,000 |

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

| | |
|---|-----------|
| Death Investigations Account--State Appropriation | \$274,000 |
|---|-----------|

The appropriation in this section is subject to the following conditions and limitations: \$250,000 of the death investigation account appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an

1 unanticipated, extraordinary, and catastrophic event or those involving
2 multiple jurisdictions.

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

4 Horse Racing Commission Account--State Appropriation . . . \$4,621,000

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

6 General Fund--State Appropriation (FY 2004) \$1,481,000

7 General Fund--State Appropriation (FY 2005) \$1,482,000

8 Liquor Control Board Construction and Maintenance

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

10 Liquor Revolving Account--State Appropriation \$131,047,000

11 TOTAL APPROPRIATION \$139,727,000

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

14 (1) \$2,000,000 of the liquor revolving account appropriation is
15 provided solely for the costs associated with the completion of the
16 merchandising business system. Actual expenditures are limited to the
17 balance of funds remaining from the \$4,803,000 appropriation provided
18 for the merchandise business system in the 2001-03 budget.

19 (2) \$1,309,000 of the liquor revolving account appropriation is
20 provided solely for the costs associated with purchasing merchandise
21 business system software and hardware-related items, and hiring system-
22 related staff.

23 (3) No moneys under this appropriation shall be spent for
24 authorizing or adopting an alcohol impact area under chapter 314-12 WAC
25 or any additional modifications to an existing alcohol impact area
26 under chapter 314-12 WAC until an existing study of a current alcohol
27 impact area is completed by the board or by April 1, 2004, whichever is
28 later.

29 NEW SECTION. **Sec. 148. FOR THE UTILITIES AND TRANSPORTATION**
30 **COMMISSION**

31 Public Service Revolving Account--State Appropriation . . \$25,835,000

32 Pipeline Safety Account--State Appropriation \$2,774,000

33 Pipeline Safety Account--Federal Appropriation \$1,049,000

34 TOTAL APPROPRIATION \$29,658,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: Consistent with the purposes of RCW
3 80.01.080, the commission may accept reimbursement for travel by its
4 employees to participate in multi-state regulatory matters.

5 NEW SECTION. **Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**
6 Volunteer Firefighters' and Reserve Officers' Administrative
7 Account--State Appropriation \$699,000

8 NEW SECTION. **Sec. 150. FOR THE MILITARY DEPARTMENT**
9 General Fund--State Appropriation (FY 2004) \$8,493,000
10 General Fund--State Appropriation (FY 2005) \$8,230,000
11 General Fund--Federal Appropriation \$81,967,000
12 General Fund--Private/Local Appropriation \$365,000
13 Enhanced 911 Account--State Appropriation \$33,941,000
14 Disaster Response Account--State Appropriation \$6,424,000
15 Worker and Community Right-to-Know Account--State
16 Appropriation \$287,000
17 Nisqually Earthquake Account--State Appropriation \$13,083,000
18 Nisqually Earthquake Account--Federal Appropriation . . . \$48,699,000
19 TOTAL APPROPRIATION \$201,489,000

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

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

31 (2) \$10,083,000 of the Nisqually earthquake account--state
32 appropriation and \$48,699,000 of the Nisqually earthquake account--
33 federal appropriation are provided solely for response and recovery
34 costs associated with the February 28, 2001, earthquake. The military
35 department shall submit a report quarterly to the office of financial
36 management and the legislative fiscal committees detailing earthquake

1 recovery costs, including: (a) Estimates of total costs; (b)
2 incremental changes from the previous estimate; (c) actual
3 expenditures; (d) estimates of total remaining costs to be paid; and
4 (e) estimates of future payments by biennium. This information shall
5 be displayed by fund, by type of assistance, and by amount paid on
6 behalf of state agencies or local organizations. The military
7 department shall also submit a report quarterly to the office of
8 financial management and the legislative fiscal committees detailing
9 information on the Nisqually earthquake account, including: (a) The
10 amount and type of deposits into the account; (b) the current available
11 fund balance as of the reporting date; and (c) the projected fund
12 balance at the end of the 2003-05 biennium based on current revenue and
13 expenditure patterns.

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

25 (4) \$200,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$53,555,000 of the general fund--federal appropriation
27 are provided solely for homeland security, to be distributed as
28 follows:

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

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

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

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

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

9 (f) \$39,917,000 of the general fund--federal appropriation for
10 other anticipated homeland security needs. This amount shall not be
11 allotted until a spending plan is approved by the governor's domestic
12 security advisory group and the office of financial management;

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

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

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

29 NEW SECTION. **Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS**
30 **COMMISSION**

| | | |
|----|---|-------------|
| 31 | General Fund--State Appropriation (FY 2004) | \$2,381,000 |
| 32 | General Fund--State Appropriation (FY 2005) | \$2,455,000 |
| 33 | Department of Personnel Service Account--State | |
| 34 | Appropriation | \$2,545,000 |
| 35 | TOTAL APPROPRIATION | \$7,381,000 |

36 The appropriations in this section are subject to the following
37 conditions and limitations: \$40,000 of the general fund--state

1 appropriation for fiscal year 2005 is provided solely for the
2 implementation of Second Substitute Senate Bill No. 5012 (charter
3 schools). If the bill is not enacted by June 30, 2003, the amount
4 provided in this subsection shall lapse.

| | | | |
|----|---|--|--------------|
| 5 | <u>NEW SECTION.</u> | Sec. 152. FOR THE STATE CONVENTION AND TRADE CENTER | |
| 6 | State Convention and Trade Center Account--State | | |
| 7 | Appropriation | | \$31,037,000 |
| 8 | State Convention and Trade Center Operating Account-- | | |
| 9 | State Appropriation | | \$40,581,000 |
| 10 | TOTAL APPROPRIATION | | \$71,618,000 |

(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, except as expressly provided in subsection (3) of this section.

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

(3) 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.

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

| | |
|---|---------------|
| General Fund--State Appropriation (FY 2004) | \$228,855,000 |
| General Fund--State Appropriation (FY 2005) | \$232,167,000 |
| General Fund--Federal Appropriation | \$413,067,000 |

| | | |
|---|--|---------------|
| 1 | General Fund--Private/Local Appropriation | \$400,000 |
| 2 | Public Safety and Education Account--State Appropriation . | \$23,920,000 |
| 3 | Violence Reduction and Drug Enforcement Account--State | |
| 4 | Appropriation | \$5,358,000 |
| 5 | TOTAL APPROPRIATION | \$903,767,000 |

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

8 (1) \$2,271,000 of the fiscal year 2004 general fund--state
9 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
10 appropriation, and \$1,584,000 of the general fund--federal
11 appropriation are provided solely for the category of services titled
12 "intensive family preservation services."

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

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

1 (4) 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 (5) \$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) | \$74,282,000 |
| 16 | General Fund--State Appropriation (FY 2005) | \$72,773,000 |
| 17 | General Fund--Federal Appropriation | \$12,207,000 |
| 18 | General Fund--Private/Local Appropriation | \$1,098,000 |
| 19 | Violence Reduction and Drug Enforcement Account--State | |
| 20 | Appropriation | \$35,471,000 |
| 21 | Juvenile Accountability Incentive Account--Federal | |
| 22 | Appropriation | \$9,139,000 |
| 23 | TOTAL APPROPRIATION | \$204,970,000 |

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

26 (1) \$711,000 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) \$6,051,000 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
37 provided in this subsection are intended to provide funding for county

1 impacts associated with the implementation of chapter 338, Laws of 1997
2 and shall be distributed to counties as prescribed in the current
3 consolidated juvenile services (CJS) formula.

4 (3) \$1,201,000 of the general fund--state appropriation for fiscal
5 year 2004, \$1,201,000 of the general fund--state appropriation for
6 fiscal year 2005, and \$5,264,000 of the violence reduction and drug
7 enforcement account appropriation are provided solely to implement
8 community juvenile accountability grants pursuant to chapter 338, Laws
9 of 1997 (juvenile code revisions). Funds provided in this subsection
10 may be used solely for community juvenile accountability grants,
11 administration of the grants, and evaluations of programs funded by the
12 grants.

13 (4) \$2,557,000 of the violence reduction and drug enforcement
14 account appropriation is provided solely to implement alcohol and
15 substance abuse treatment programs for locally committed offenders.
16 The juvenile rehabilitation administration shall award these moneys on
17 a competitive basis to counties that submitted a plan for the provision
18 of services approved by the division of alcohol and substance abuse.
19 The juvenile rehabilitation administration shall develop criteria for
20 evaluation of plans submitted and a timeline for awarding funding and
21 shall assist counties in creating and submitting plans for evaluation.

22 (5) \$100,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$100,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for juvenile rehabilitation
25 administration to contract with the institute for public policy for
26 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
27 revisions).

28 (6) \$100,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$100,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for a contract for expanded
31 services of the teamchild project.

32 (7) \$16,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$16,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the implementation of chapter
35 167, Laws of 1999 (firearms on school property). The amounts provided
36 in this subsection are intended to provide funding for county impacts
37 associated with the implementation of chapter 167, Laws of 1999, and

1 shall be distributed to counties as prescribed in the current
2 consolidated juvenile services (CJS) formula.

3 (8) \$900,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$900,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for the continued implementation
6 of the juvenile violence prevention grant program established in
7 section 204, chapter 309, Laws of 1999.

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

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

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

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

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

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

37 (e) Provide an initial process evaluation to the juvenile
38 rehabilitation administration and the family policy council by January

1 30, 2004, and an intermediate evaluation by December 31, 2004. The
2 court shall develop this evaluation in consultation with the juvenile
3 rehabilitation administration, the family policy council, and the
4 Washington state institute of public policy.

5 (11) \$1,416,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$1,417,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for additional research-based
8 services to the juvenile parole population, including quality control
9 efforts to ensure appropriate implementation of research-based
10 services. The juvenile rehabilitation administration shall consult
11 with the institute for public policy in deciding which interventions to
12 provide to the parole population and appropriate levels of quality
13 control. Of the total general fund--state appropriation for fiscal
14 year 2004, up to \$55,000 may be used for additional suicide precaution
15 training for staff.

16 (12) \$2,853,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$3,907,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for reimbursement to counties for
19 local juvenile disposition alternatives implemented in Senate Bill No.
20 5903 (juvenile offender sentencing). The juvenile rehabilitation
21 administration shall adjust this funding level in the event that
22 utilization rates of the disposition alternatives are lower than the
23 level anticipated by the total appropriations to the juvenile
24 rehabilitation administration. To the extent that youth in community
25 commitment placement are placed in alternatives to secure detention and
26 become eligible for state-funded chemical dependency treatment, the
27 juvenile rehabilitation administration shall reduce daily rates paid to
28 counties for this disposition alternative to a level consistent with
29 actual costs of the community placement and offset the cost of state-
30 funded chemical dependency treatment.

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

33 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

| | | |
|----|---|---------------|
| 34 | General Fund--State Appropriation (FY 2004) | \$206,202,000 |
| 35 | General Fund--State Appropriation (FY 2005) | \$210,961,000 |
| 36 | General Fund--Federal Appropriation | \$365,335,000 |
| 37 | General Fund--Local Appropriation | \$1,970,000 |

1 Health Services Account--State Appropriation \$2,450,000
2 TOTAL APPROPRIATION \$786,918,000

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

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

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

15 (c) Within funds appropriated in this subsection, the department
16 shall contract with the Clark county regional support network for
17 development and operation of a project demonstrating collaborative
18 methods for providing intensive mental health services in the school
19 setting for severely emotionally disturbed children who are medicaid
20 eligible. Project services are to be delivered by teachers and
21 teaching assistants who qualify as, or who are under the supervision
22 of, mental health professionals meeting the requirements of chapter
23 275-57 WAC. The department shall increase medicaid payments to the
24 regional support network by the amount necessary to cover the necessary
25 and allowable costs of the demonstration, not to exceed the upper
26 payment limit specified for the regional support network in the
27 department's medicaid waiver agreement with the federal government
28 after meeting all other medicaid spending requirements assumed in this
29 subsection. The regional support network shall provide the department
30 with (i) periodic reports on project service levels, methods, and
31 outcomes; and (ii) an intergovernmental transfer equal to the state
32 share of the increased medicaid payment provided for operation of this
33 project.

34 (d) The health services account appropriation is provided solely
35 for implementation of strategies which the department and the affected
36 regional support networks conclude will best assure continued
37 availability of community-based inpatient psychiatric services in all
38 areas of the state. Such strategies may include, but are not limited

1 to, emergency contracts for continued operation of inpatient facilities
2 otherwise at risk of closure because of demonstrated uncompensated
3 care; start-up grants for development of evaluation and treatment
4 facilities; and increases in the rate paid for inpatient psychiatric
5 services for medically indigent and/or general assistance for the
6 unemployed patients. The funds provided in this subsection must be:
7 (i) Prioritized for use in those areas of the state which are at
8 greatest risk of lacking sufficient inpatient psychiatric treatment
9 capacity, rather than being distributed on a formula basis; (ii)
10 prioritized for use by those hospitals that do not receive low-income
11 disproportionate share hospital payments as of the date of application
12 for funding; and (iii) matched on a one-quarter local and three-
13 quarters state basis by funding from the regional support network or
14 networks in the area in which the funds are expended. Payments from
15 the amount provided in this subsection shall not be made to any
16 provider that has not agreed that, except for prospective rate
17 increases, the payment shall offset, on a dollar-for-dollar basis, any
18 liability that may be established against, or any settlement that may
19 be agreed to by the state, regarding the rate of state reimbursement
20 for inpatient psychiatric care. The funds provided in this subsection
21 shall not be considered "available resources" as defined in RCW
22 71.24.025 and are not subject to the distribution formula established
23 pursuant to RCW 71.24.035.

24 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|---------------|
| 25 | General Fund--State Appropriation (FY 2004) | \$92,626,000 |
| 26 | General Fund--State Appropriation (FY 2005) | \$91,404,000 |
| 27 | General Fund--Federal Appropriation | \$134,274,000 |
| 28 | General Fund--Private/Local Appropriation | \$26,342,000 |
| 29 | TOTAL APPROPRIATION | \$344,646,000 |

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

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

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

38 (3) CIVIL COMMITMENT

| | | |
|---|---|--------------|
| 1 | General Fund--State Appropriation (FY 2004) | \$28,770,000 |
| 2 | General Fund--State Appropriation (FY 2005) | \$32,178,000 |
| 3 | TOTAL APPROPRIATION | \$60,948,000 |

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

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

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

28 (c) \$1,065,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$111,000 of the general fund--state appropriation for
30 fiscal year 2004 are provided solely for the purchase of a vessel to
31 provide transportation to McNeil Island, consistent with increased
32 staffing.

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

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

4 (4) SPECIAL PROJECTS

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

6 (5) PROGRAM SUPPORT

7 General Fund--State Appropriation (FY 2004) \$2,729,000

8 General Fund--State Appropriation (FY 2005) \$2,637,000

9 General Fund--Federal Appropriation \$4,759,000

10 TOTAL APPROPRIATION \$10,125,000

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

13 (1) COMMUNITY SERVICES

14 General Fund--State Appropriation (FY 2004) \$271,224,000

15 General Fund--State Appropriation (FY 2005) \$265,628,000

16 General Fund--Federal Appropriation \$435,844,000

17 Health Services Account--State Appropriation \$1,038,000

18 TOTAL APPROPRIATION \$973,734,000

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

21 (a) The health services account appropriation and \$1,038,000 of the
22 general fund--federal appropriation are provided solely for health care
23 benefits for home care workers with family incomes below 175 percent of
24 the federal poverty level who are employed through state contracts for
25 twenty hours per week or more. Premium payments for individual
26 provider home care workers shall be made only to the subsidized basic
27 health plan. Home care agencies may obtain coverage either through the
28 basic health plan or through an alternative plan with substantially
29 equivalent benefits.

30 (b) The department shall work with representatives of community
31 residential service providers and representatives of persons served in
32 community residential programs to identify current rules and policies
33 that are redundant and/or are not helpful to positive client outcomes.
34 The department shall modify or repeal the rules and policies identified
35 and report the results to the appropriate committees of the legislature
36 by July 1, 2004.

1 (c) \$10,000,000 of the general fund--state appropriation for fiscal
 2 year 2004 is provided solely for one-time expenditures needed to meet
 3 the federally required level for state supplemental payments (SSP).
 4 The department may transfer a portion of this amount to other programs
 5 within the agency to accomplish this purpose. To the extent that the
 6 required expenditure level must be met by funding new services,
 7 expansion of the high school transition program shall be the first
 8 priority.

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

13 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|---------------|
| 14 | General Fund--State Appropriation (FY 2004) | \$71,782,000 |
| 15 | General Fund--State Appropriation (FY 2005) | \$63,380,000 |
| 16 | General Fund--Federal Appropriation | \$137,296,000 |
| 17 | General Fund--Private/Local Appropriation | \$11,228,000 |
| 18 | TOTAL APPROPRIATION | \$283,686,000 |

19 The appropriations in this subsection are subject to the following
 20 conditions and limitations: The department may transfer funding
 21 provided in this subsection to meet the purposes of subsection (1) of
 22 this section to the extent that additional residents of residential
 23 habilitation centers choose to move to community placements than was
 24 assumed in this appropriation.

25 (3) PROGRAM SUPPORT

| | | |
|----|--|-------------|
| 26 | General Fund--State Appropriation (FY 2004) | \$2,201,000 |
| 27 | General Fund--State Appropriation (FY 2005) | \$2,200,000 |
| 28 | General Fund--Federal Appropriation | \$2,898,000 |
| 29 | Telecommunications Devices for the Hearing 30 and Speech Impaired Account Appropriation | \$1,782,000 |
| 31 | TOTAL APPROPRIATION | \$9,081,000 |

32 The appropriations in this subsection are subject to the following
 33 conditions and limitations: The department shall submit a report to
 34 the fiscal committees of the legislature by December 1, 2003,
 35 describing progress in consolidating program administrative functions
 36 within the aging and disabilities administration to ensure that the

1 overspending of the appropriations for program support in the
2 developmental disabilities program in prior fiscal periods does not
3 continue.

4 (4) SPECIAL PROJECTS

5 General Fund--Federal Appropriation \$11,997,000

6 NEW SECTION. **Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
7 **SERVICES--AGING AND ADULT SERVICES PROGRAM**

8 General Fund--State Appropriation (FY 2004) \$548,451,000

9 General Fund--State Appropriation (FY 2005) \$555,567,000

10 General Fund--Federal Appropriation \$1,137,168,000

11 General Fund--Private/Local Appropriation \$18,644,000

12 Health Services Account--State Appropriation \$4,888,000

13 TOTAL APPROPRIATION \$2,264,718,000

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

16 (1) The entire health services account appropriation, \$1,476,000 of
17 the general fund--state appropriation for fiscal year 2004, \$1,476,000
18 of the general fund--state appropriation for fiscal year 2005, and
19 \$7,284,000 of the general fund--federal appropriation are provided
20 solely for health care benefits for home care workers who are employed
21 through state contracts for at least twenty hours per week. Premium
22 payments for individual provider home care workers shall be made only
23 to the subsidized basic health plan, and only for persons with incomes
24 below 175 percent of the federal poverty level. Home care agencies may
25 obtain coverage either through the basic health plan or through an
26 alternative plan with substantially equivalent benefits.

27 (2) For purposes of implementing chapter 74.46 RCW, the weighted
28 average nursing facility payment rate shall be no more than \$144.54 for
29 fiscal year 2004, and no more than \$147.43 for fiscal year 2005. For
30 all facilities, the direct care, therapy care, support services, and
31 operations component rates established in accordance with chapter 74.46
32 RCW shall be adjusted for economic trends and conditions by 3.0 percent
33 effective July 1, 2003.

34 (3) In accordance with chapter 74.46 RCW, the department shall
35 issue certificates of capital authorization that result in up to \$32
36 million of increased asset value completed and ready for occupancy in
37 fiscal year 2004; in up to \$32 million of increased asset value

1 completed and ready for occupancy in fiscal year 2005; and in up to \$32
2 million of increased asset value completed and ready for occupancy in
3 fiscal year 2006.

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

7 (5) In accordance with chapter 74.39 RCW, the department may
8 implement a medicaid waiver program for persons who do not qualify for
9 such services as categorically needy, subject to federal approval and
10 the following conditions and limitations:

11 (a) The waiver program shall include coverage of care in community
12 residential facilities. Enrollment in the waiver program shall not
13 exceed 600 persons by the end of fiscal year 2004, nor 600 persons by
14 the end of fiscal year 2005.

15 (b) The department shall identify the number of medically needy
16 nursing home residents, and enrollment and expenditures on the
17 medically needy waiver program, on monthly management reports.

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

23 (6) \$50,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$50,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for payments to any nursing
26 facility licensed under chapter 18.51 RCW that meets all of the
27 following criteria: (a) The nursing home entered into an arm's length
28 agreement for a facility lease prior to January 1, 1980; (b) the lessee
29 purchased the leased nursing home after January 1, 1980; and (c) the
30 lessor defaulted on its loan or mortgage for the assets of the home
31 after January 1, 1991, and prior to January 1, 1992. Payments provided
32 pursuant to this subsection shall not be subject to the settlement,
33 audit, or rate-setting requirements contained in chapter 74.46 RCW.

34 (7) The department shall establish waiting lists to the extent
35 necessary to assure that annual expenditures on the community options
36 program entry systems (COPES) program do not exceed appropriated
37 levels. In establishing and managing any such waiting list, the

1 department shall assure priority access to persons with the greatest
2 unmet needs, as determined by department assessment processes.

3 (8) \$163,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$162,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for implementation of Substitute
6 Senate Bill No. 5904 (senior drug assistance). If Substitute Senate
7 Bill No. 5904 is not enacted by June 30, 2003, the amounts provided in
8 this subsection shall lapse.

9 (9) \$6,736,000 of the general fund--state appropriation for fiscal
10 year 2004, \$7,563,000 of the general fund--state appropriation for
11 fiscal year 2005, and \$13,171,000 of the general fund--federal
12 appropriation are provided solely for direct client services under the
13 adult day health program. The department shall not use any of the
14 funds appropriated in this subsection to employ staff or contractors to
15 conduct eligibility determination or service plan development for
16 current or prospective recipients of adult day health services.

17 (10) \$1,768,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$1,768,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for operation of the volunteer
20 chore services program.

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

| | | |
|----|---|-----------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$403,182,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$395,401,000 |
| 25 | General Fund--Federal Appropriation | \$1,373,091,000 |
| 26 | General Fund--Private/Local Appropriation | \$36,704,000 |
| 27 | TOTAL APPROPRIATION | \$2,208,378,000 |

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

30 (1) Within funds provided for the WorkFirst program, the department
31 shall:

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

1 department shall also report the percentage of families who have
2 returned to temporary assistance for needy families after 12 months, 24
3 months, and 36 months.

4 (b) Submit a report by October 1, 2003, to the fiscal committees of
5 the legislature containing a spending plan for the WorkFirst program.
6 The plan shall identify how spending levels in the 2003-2005 biennium
7 will be adjusted to stay within available federal grant levels and the
8 appropriated state-fund levels. The office of financial management
9 shall place an amount of the general fund--federal appropriation in
10 unallotted status in order to align the appropriations for WorkFirst to
11 the submitted spending plan.

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

14 (2) \$42,759,120 of the general fund--state appropriation for fiscal
15 year 2004 and \$35,650,261 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for cash assistance and other
17 services to recipients in the general assistance--unemployable program.
18 Within these amounts, the department may expend funds for services that
19 assist recipients to reduce their dependence on public assistance,
20 provided that expenditures for these services and cash assistance do
21 not exceed the funds provided.

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

27 (4) \$13,852,000 of the general fund--federal appropriation is
28 provided solely for increased reimbursement of county legal-clerk
29 services for child support enforcement. The department shall ensure
30 this increase in cost does not reduce federal incentive payments.

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

1 NEW SECTION. **Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**

2 **SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM**

| | | |
|----|---|---------------|
| 3 | General Fund--State Appropriation (FY 2004) | \$37,398,000 |
| 4 | General Fund--State Appropriation (FY 2005) | \$37,385,000 |
| 5 | General Fund--Federal Appropriation | \$90,655,000 |
| 6 | General Fund--Private/Local Appropriation | \$630,000 |
| 7 | Public Safety and Education Account--State | |
| 8 | Appropriation | \$10,860,000 |
| 9 | Criminal Justice Treatment Account--State Appropriation . . | \$8,950,000 |
| 10 | Violence Reduction and Drug Enforcement Account--State | |
| 11 | Appropriation | \$45,925,000 |
| 12 | TOTAL APPROPRIATION | \$231,803,000 |

13 The appropriations in this section are subject to the following
14 conditions and limitations: \$1,500,000 of the general fund--state
15 appropriation for fiscal year 2004 and \$1,500,000 of the general fund--
16 state appropriation for fiscal year 2005 are provided solely for
17 expansion of treatment services in the alcoholism and drug addiction
18 treatment support act (ADATSA) program. If Second Substitute Senate
19 Bill No. 6017 is not enacted by June 30, 2003, the amount provided
20 shall lapse.

21 NEW SECTION. **Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**

22 **SERVICES--MEDICAL ASSISTANCE PROGRAM**

| | | |
|----|--|-----------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$1,176,552,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$1,256,131,000 |
| 25 | General Fund--Federal Appropriation | \$3,667,894,000 |
| 26 | General Fund--Private/Local Appropriation | \$272,040,000 |
| 27 | Health Services Account--State Appropriation | \$698,228,000 |
| 28 | TOTAL APPROPRIATION | \$7,070,845,000 |

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

31 (1) In accordance with RCW 74.46.625, \$52,057,000 of the fiscal
32 year 2004 health services account appropriation, \$35,016,000 of the
33 fiscal year 2005 health services account appropriation, and \$87,074,000
34 of the general fund--federal appropriation are provided solely for
35 supplemental payments to nursing homes operated by rural public
36 hospital districts. The payments shall be conditioned upon (a) a
37 contractual commitment by the association of public hospital districts

1 and participating rural public hospital districts to make an
2 intergovernmental transfer to the state treasurer, for deposit into the
3 health services account, equal to at least 95 percent of the
4 supplemental payments; (b) a contractual commitment by the association
5 of public hospital districts to return at least 5 percent of the
6 supplemental payments to the participating rural hospital districts;
7 and (c) a contractual commitment by the participating districts to not
8 allow expenditures covered by the supplemental payments to be used for
9 medicaid nursing home rate- setting. The participating districts shall
10 retain no more than a total of \$3,500,000 for the 2003-05 biennium.

11 (2) \$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.

17 The payments shall be conditioned upon a contractual commitment by
18 the participating public hospital districts to make an
19 intergovernmental transfer to the health services account equal to at
20 least 91 percent of the additional payments. The state's teaching
21 hospitals shall retain at least 28 percent of the amounts retained by
22 hospitals under these programs, or the maximum allowable under the
23 state teaching hospitals' limits as set under federal rules, whichever
24 is less.

25 (3) For purposes of RCW 74.09.510(6) and 74.09.450, no funds are
26 appropriated in this section for medical coverage of children not
27 otherwise eligible for medical assistance whose family incomes are in
28 excess of 175 percent of the federal poverty level.

29 (4) For purposes of RCW 74.09.800, no funds are appropriated in
30 this section to provide maternity care services to low-income women who
31 are not eligible to receive such services under the medical assistance
32 program, Title XIX of the federal social security act.

33 (5) No funds are appropriated in this section for continued
34 operation of the buy-in program authorized in RCW 74.09.510(7) and
35 74.09.540.

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

1 (7) Sufficient funds are appropriated in this section for the
2 department to provide an adult dental benefit equivalent to
3 approximately 70 percent of the dental benefit provided during the
4 2001-03 biennium. The department shall establish the scope of services
5 to be provided within the available funds in consultation with dental
6 providers and consumer representatives.

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

15 (9) \$20,000,000 of the health services account appropriation and
16 \$20,000,000 of the general fund--federal appropriation are provided
17 solely for grants to nonrural hospitals. The department shall
18 distribute the funds under a formula that provides a relatively larger
19 share of the available funding to hospitals that (a) serve a
20 disproportionate share of low-income and medically indigent patients,
21 and (b) have relatively smaller net financial margins.

22 (10) The department shall establish managed care rates within
23 available funds in a manner that promotes health plan efficiency,
24 encourages continuity of service, and assures access in underserved
25 areas.

26 (11) The department shall separately track the total amount of any
27 rebates obtained from drug manufacturers that are supplemental to the
28 amounts required by federal law. The department shall report to the
29 fiscal committees of the house of representatives and senate by January
30 15, 2004, and by January 15, 2005, on supplemental rebates negotiated
31 to date, and their projected value through the end of the current and
32 the next succeeding fiscal year. The report shall include options for
33 using any rebate amounts in excess of those assumed in this budget to
34 increase pharmacy reimbursement rates.

35 (12) \$156,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$1,403,000 of the general fund--federal appropriation are
37 provided solely for a study to assess alternatives for replacing the
38 existing medicaid management information system. The department shall

1 report to the information services board and to the fiscal committees
2 of the legislature by December 1, 2003, on the anticipated costs and
3 benefits of the major alternative approaches. The department shall
4 receive specific authorization in the 2003-05 appropriations act before
5 proceeding with procurement of the replacement system.

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

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

| | | |
|----|---|---------------|
| 16 | General Fund--State Appropriation (FY 2004) | \$10,151,000 |
| 17 | General Fund--State Appropriation (FY 2005) | \$10,121,000 |
| 18 | General Fund--Federal Appropriation | \$84,705,000 |
| 19 | General Fund--Private/Local Appropriation | \$440,000 |
| 20 | TOTAL APPROPRIATION | \$105,417,000 |

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

| | | |
|----|---|---------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$30,454,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$28,423,000 |
| 25 | General Fund--Federal Appropriation | \$59,258,000 |
| 26 | General Fund--Private/Local Appropriation | \$810,000 |
| 27 | TOTAL APPROPRIATION | \$118,945,000 |

28 The appropriations in this section are subject to the following
29 conditions and limitations: \$1,962,000 of the general fund--state
30 appropriation for fiscal year 2004, \$1,963,000 of the general fund--
31 state appropriation for 2005, and \$3,925,000 of the general fund--
32 federal appropriation are provided solely for transition costs
33 associated with the closure of Fircrest school as directed by Engrossed
34 Senate Bill No. 5971. To minimize the disruption to the ongoing work
35 plan of the developmental disabilities program, the department shall
36 organize the Fircrest school closure and resident transition effort to

1 report to an organizational unit outside the division of developmental
2 disabilities. Within the funds provided in this subsection, the
3 department shall:

4 (a) Contract with a cost report expert to determine appropriate
5 ways to maximize federal reimbursement during the closure of the
6 facility;

7 (b) Negotiate with representatives of employees affected by the
8 closure to determine how to assist employees who need help to relocate
9 to other state jobs, to transition to private sector positions, to
10 retire early, or to cover the costs of unemployment benefits.

11 (c) Keep the appropriate committees of the legislature informed of
12 the development of and revisions to a work plan to close the facility
13 through regular written reports, periodic e-mail updates to committee
14 members and staff, and/or through other means that keep the committees
15 up-to-date on the progress of the closure.

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

| | | |
|----|---|---------------|
| 18 | General Fund--State Appropriation (FY 2004) | \$43,882,000 |
| 19 | General Fund--State Appropriation (FY 2005) | \$43,882,000 |
| 20 | General Fund--Federal Appropriation | \$43,674,000 |
| 21 | TOTAL APPROPRIATION | \$131,438,000 |

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

| | | |
|----|--|---------------|
| 23 | General Fund--Federal Appropriation | \$3,358,000 |
| 24 | State Health Care Authority Administrative Account-- | |
| 25 | State Appropriation | \$17,499,000 |
| 26 | Medical Aid Account--State Appropriation | \$128,000 |
| 27 | Health Services Account--State Appropriation | \$415,656,000 |
| 28 | TOTAL APPROPRIATION | \$436,641,000 |

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

31 (1) Within funds appropriated in this section and sections 205 and
32 206 of this act, the health care authority shall continue to provide an
33 enhanced basic health plan subsidy option for foster parents licensed
34 under chapter 74.15 RCW and workers in state-funded home care programs.
35 Under this enhanced subsidy option, foster parents and home care

1 workers with family incomes at or below 175 percent of the federal
2 poverty level shall be allowed to enroll in the basic health plan at a
3 cost of twelve dollars and fifty cents per covered worker per month.

4 (2) The health care authority shall require organizations and
5 individuals which are paid to deliver basic health plan services and
6 which choose to sponsor enrollment in the subsidized basic health plan
7 to pay the following: (i) A minimum of twenty-five dollars per
8 enrollee per month for persons below 100 percent of the federal poverty
9 level; and (ii) a minimum of thirty dollars per enrollee per month for
10 persons whose family income is 100 percent to 125 percent of the
11 federal poverty level.

12 (3) Until January 1, 2004, the health care authority shall admit
13 new members to the basic health plan only to the extent authorized
14 under the authority's September 6, 2001, administrative policy on basic
15 health plan enrollment management.

16 (4) \$162,500,000 of the health services account appropriation is
17 provided solely for expenditure in calendar year 2004, and \$91,000,000
18 of the health services account appropriation is provided solely for
19 expenditure in calendar year 2005, to subsidize basic health plan
20 coverage for persons with family incomes at or below 175 percent of the
21 federal poverty level.

22 (5) \$500,000 of the health services account appropriation is
23 provided solely for a contract with a university or other qualified
24 organization to link state residents with manufacturer-sponsored drug
25 discount programs as provided in Substitute Senate Bill No. 5904. If
26 Substitute Senate Bill No. 5904 is not enacted by June 30, 2003, the
27 amount provided in this subsection shall lapse.

28 (6) \$1,365,000 of the health services account appropriation is
29 provided solely for start-up funding for a purchasing pool that will
30 enable certain state residents to benefit from the discounted prices
31 the state is able to achieve as a result of its volume purchasing power
32 as provided in Substitute Senate Bill No. 5904. If Substitute Senate
33 Bill No. 5904 is not enacted by June 30, 2003, the amount provided in
34 this subsection shall lapse.

35 (7) \$5,000,000 of the health services account appropriation is
36 provided solely for distribution to community clinics for provision of
37 prenatal care for women no longer eligible for such services from the

1 department of social and health services due to their immigration
2 status. These funds shall be distributed among clinics proportional to
3 their historic levels of service to such persons.

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

| | | |
|---|---|-------------|
| 5 | General Fund--State Appropriation (FY 2004) | \$2,370,000 |
| 6 | General Fund--State Appropriation (FY 2005) | \$2,409,000 |
| 7 | General Fund--Federal Appropriation | \$1,480,000 |
| 8 | General Fund--Private/Local Appropriation | \$100,000 |
| 9 | TOTAL APPROPRIATION | \$6,359,000 |

10 NEW SECTION. **Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE**

11 **APPEALS**

| | | |
|----|--|--------------|
| 12 | Worker and Community Right-to-Know Account--State | |
| 13 | Appropriation | \$20,000 |
| 14 | Accident Account--State Appropriation | \$15,152,000 |
| 15 | Medical Aid Account--State Appropriation | \$15,151,000 |
| 16 | TOTAL APPROPRIATION | \$30,323,000 |

17 The appropriations in this section are subject to the following
18 conditions and limitations: \$192,000 of the accident account--state
19 appropriation and \$192,000 of the medical aid account--state
20 appropriation are provided solely for implementing the provisions of
21 Senate Bill No. 5271 (workers compensation/hearing loss). If the bill
22 is not enacted by June 30, 2003, the amounts provided shall lapse.

23 NEW SECTION. **Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING**
24 **COMMISSION**

| | | |
|----|---|--------------|
| 25 | Death Investigations Account--State Appropriation | \$148,000 |
| 26 | Public Safety and Education Account--State | |
| 27 | Appropriation | \$17,920,000 |
| 28 | Municipal Criminal Justice Assistance Account-- | |
| 29 | Private/Local Appropriation | \$460,000 |
| 30 | TOTAL APPROPRIATION | \$18,528,000 |

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

33 (1) \$124,000 of the public safety and education account
34 appropriation is provided solely to allow the Washington association of
35 sheriffs and police chiefs to increase the technical and training

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

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

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

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

16 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF LABOR AND**
17 **INDUSTRIES**

| | | |
|----|--|---------------|
| 18 | General Fund--State Appropriation (FY 2004) | \$5,843,000 |
| 19 | General Fund--State Appropriation (FY 2005) | \$5,826,000 |
| 20 | Public Safety and Education Account--State | |
| 21 | Appropriation | \$22,338,000 |
| 22 | Public Safety and Education Account--Federal | |
| 23 | Appropriation | \$8,462,000 |
| 24 | Asbestos Account--State Appropriation | \$683,000 |
| 25 | Electrical License Account--State Appropriation | \$28,320,000 |
| 26 | Farm Labor Revolving Account--Private/Local | |
| 27 | Appropriation | \$28,000 |
| 28 | Worker and Community Right-to-Know Account--State | |
| 29 | Appropriation | \$2,507,000 |
| 30 | Public Works Administration Account--State | |
| 31 | Appropriation | \$2,281,000 |
| 32 | Accident Account--State Appropriation | \$189,300,000 |
| 33 | Accident Account--Federal Appropriation | \$13,384,000 |
| 34 | Medical Aid Account--State Appropriation | \$188,468,000 |
| 35 | Medical Aid Account--Federal Appropriation | \$2,948,000 |
| 36 | Plumbing Certificate Account--State Appropriation | \$1,442,000 |
| 37 | Pressure Systems Safety Account--State Appropriation | \$3,036,000 |

1 TOTAL APPROPRIATION \$474,866,000

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

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

6 (1) Pursuant to RCW 7.68.015, the department shall operate the
7 crime victims' compensation program within the public safety and
8 education account funds appropriated in this section. In the event
9 that cost containment measures are necessary, the department may (a)
10 institute copayments for services; (b) develop preferred provider
11 contracts; or (c) utilize other cost containment measures. Cost
12 containment measures shall not include holding invoices received in one
13 fiscal period for payment from appropriations in subsequent fiscal
14 periods. No more than \$5,200,000 of the public safety and education
15 account appropriation shall be expended for department administration
16 of the crime victims' compensation program.

17 (2) \$314,000 of the accident account--state appropriation and
18 \$56,000 of the medical aid account--state appropriation are provided
19 solely for implementing Second Substitute Senate Bill No. 5890
20 (agricultural workers). If the bill is not enacted by June 30, 2003,
21 the amounts provided in this subsection shall lapse.

22 (3) \$1,000,000 of the accident account--state appropriation and
23 \$1,000,000 of the medical aid account--state appropriation are provided
24 solely for implementing Substitute Senate Bill No. 5378 (workers
25 compensation). If the bill is not enacted by June 30, 2003, the
26 amounts provided in this subsection shall lapse.

27 (4) \$207,000 of the plumbing certificate account--state
28 appropriation and \$268,000 of the pressure systems safety account--
29 state appropriation are provided solely for implementing Substitute
30 Senate Bill No. 5713 (electrical contractors). If the bill is not
31 enacted by June 30, 2003, the amounts provided in this subsection shall
32 lapse.

33 NEW SECTION. **Sec. 218. FOR THE INDETERMINATE SENTENCE REVIEW**
34 **BOARD**

35 General Fund--State Appropriation (FY 2004) \$989,000

36 General Fund--State Appropriation (FY 2005) \$989,000

37 TOTAL APPROPRIATION \$1,978,000

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

2 (1) HEADQUARTERS

| | | |
|---|---|-------------|
| 3 | General Fund--State Appropriation (FY 2004) | \$1,561,000 |
| 4 | General Fund--State Appropriation (FY 2005) | \$1,562,000 |
| 5 | Charitable, Educational, Penal, and Reformatory | |
| 6 | Institutions Account--State Appropriation | \$11,000 |
| 7 | TOTAL APPROPRIATION | \$3,134,000 |

8 (2) FIELD SERVICES

| | | |
|----|---|-------------|
| 9 | General Fund--State Appropriation (FY 2004) | \$2,598,000 |
| 10 | General Fund--State Appropriation (FY 2005) | \$2,598,000 |
| 11 | General Fund--Federal Appropriation | \$304,000 |
| 12 | General Fund--Private/Local Appropriation | \$1,675,000 |
| 13 | TOTAL APPROPRIATION | \$7,175,000 |

14 (3) INSTITUTIONAL SERVICES

| | | |
|----|---|--------------|
| 15 | General Fund--State Appropriation (FY 2004) | \$7,403,000 |
| 16 | General Fund--State Appropriation (FY 2005) | \$5,823,000 |
| 17 | General Fund--Federal Appropriation | \$26,936,000 |
| 18 | General Fund--Private/Local Appropriation | \$27,582,000 |
| 19 | TOTAL APPROPRIATION | \$67,744,000 |

20 NEW SECTION. **Sec. 220. FOR THE HOME CARE QUALITY AUTHORITY**

| | | |
|----|---|-----------|
| 21 | General Fund--State Appropriation (FY 2004) | \$405,000 |
| 22 | General Fund--State Appropriation (FY 2005) | \$252,000 |
| 23 | TOTAL APPROPRIATION | \$657,000 |

24 The appropriations in this section are subject to the following
25 conditions and limitations: \$150,000 of the general fund--state
26 appropriation for fiscal year 2004 is provided solely for the design
27 and development of the home care provider registry mandated by
28 Initiative Measure No. 775.

29 NEW SECTION. **Sec. 221. FOR THE DEPARTMENT OF HEALTH**

| | | |
|----|--|---------------|
| 30 | General Fund--State Appropriation (FY 2004) | \$55,285,000 |
| 31 | General Fund--State Appropriation (FY 2005) | \$57,450,000 |
| 32 | General Fund--Federal Appropriation | \$349,128,000 |
| 33 | General Fund--Private/Local Appropriation | \$92,723,000 |
| 34 | Hospital Commission Account--State Appropriation | \$2,490,000 |
| 35 | Health Professions Account--State Appropriation | \$40,042,000 |

| | | |
|----|--|---------------|
| 1 | Emergency Medical Services and Trauma Care Systems | |
| 2 | Trust Account--State Appropriation | \$27,053,000 |
| 3 | Safe Drinking Water Account--State Appropriation | \$2,736,000 |
| 4 | Drinking Water Assistance Account--Federal | |
| 5 | Appropriation | \$13,518,000 |
| 6 | Waterworks Operator Certification--State Appropriation | \$637,000 |
| 7 | Water Quality Account--State Appropriation | \$3,373,000 |
| 8 | State Toxics Control Account--State Appropriation | \$2,629,000 |
| 9 | Medical Test Site Licensure Account--State Appropriation | \$1,718,000 |
| 10 | Youth Tobacco Prevention Account--State Appropriation | \$1,806,000 |
| 11 | Accident Account--State Appropriation | \$260,000 |
| 12 | Medical Aid Account--State Appropriation | \$46,000 |
| 13 | Health Services Account--State Appropriation | \$34,293,000 |
| 14 | Tobacco Prevention and Control Account--State | |
| 15 | Appropriation | \$52,516,000 |
| 16 | TOTAL APPROPRIATION | \$737,703,000 |

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

19 (1) The department or any successor agency is authorized to raise
20 existing fees charged for health care assistants, commercial shellfish
21 paralytic shellfish poisoning, commercial shellfish licenses, and
22 newborn screening programs in excess of the fiscal growth factor under
23 chapter 43.135 RCW if necessary to meet the actual costs of conducting
24 business and the appropriation levels in this section.

25 (2) \$1,488,000 of the general fund--state fiscal year 2004
26 appropriation and \$1,489,000 of the general fund--state fiscal year
27 2005 appropriation are provided solely for the implementation of the
28 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
29 DOH-03, and DOH-04.

30 (3) The department of health shall not initiate any services that
31 will require expenditure of state general fund moneys unless expressly
32 authorized in this act or other law. The department may seek, receive,
33 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not
34 anticipated in this act as long as the federal funding does not require
35 expenditure of state moneys for the program in excess of amounts
36 anticipated in this act. If the department receives unanticipated
37 unrestricted federal moneys, those moneys shall be spent for services
38 authorized in this act or in any other legislation that provides

1 appropriation authority, and an equal amount of appropriated state
2 moneys shall lapse. Upon the lapsing of any moneys under this
3 subsection, the office of financial management shall notify the
4 legislative fiscal committees. As used in this subsection,
5 "unrestricted federal moneys" includes block grants and other funds
6 that federal law does not require to be spent on specifically defined
7 projects or matched on a formula basis by state funds.

8 (4) \$21,650,000 of the health services account--state appropriation
9 is provided solely for the state's program of universal access to
10 essential childhood vaccines. The department shall utilize all
11 available federal funding before expenditure of these funds.

12 (5) \$2,984,000 of the general fund--local appropriation is provided
13 solely for development and implementation of an internet-based system
14 for preparing and retrieving death certificates as provided in
15 Substitute Senate Bill No. 5545. If Substitute Senate Bill No. 5545 is
16 not enacted by June 30, 2003, the amount provided in this subsection
17 shall lapse.

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

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

27 The appropriations to the department of corrections in this act
28 shall be expended for the programs and in the amounts specified herein.
29 However, after May 1, 2004, after approval by the director of financial
30 management and unless specifically prohibited by this act, the
31 department may transfer general fund--state appropriations for fiscal
32 year 2004 between programs. The director of financial management shall
33 notify the appropriate fiscal committees of the senate and house of
34 representatives in writing prior to approving any deviations from
35 appropriation levels.

36 (1) ADMINISTRATION AND SUPPORT SERVICES
37 General Fund--State Appropriation (FY 2004) \$35,376,000

| | | |
|---|--|--------------|
| 1 | General Fund--State Appropriation (FY 2005) | \$35,579,000 |
| 2 | Violence Reduction and Drug Enforcement Account--State | |
| 3 | Appropriation | \$26,000 |
| 4 | Public Safety and Education Account--State | |
| 5 | Appropriation | \$3,624,000 |
| 6 | TOTAL APPROPRIATION | \$74,605,000 |

7 (2) CORRECTIONAL OPERATIONS

| | | |
|----|--|---------------|
| 8 | General Fund--State Appropriation (FY 2004) | \$444,514,000 |
| 9 | General Fund--State Appropriation (FY 2005) | \$449,634,000 |
| 10 | General Fund--Federal Appropriation | \$8,746,000 |
| 11 | Violence Reduction and Drug Enforcement Account--State | |
| 12 | Appropriation | \$4,350,000 |
| 13 | TOTAL APPROPRIATION | \$907,244,000 |

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

16 (a) The department may expend funds generated by contractual
17 agreements entered into for mitigation of severe overcrowding in local
18 jails. Any funds generated in excess of actual costs shall be
19 deposited in the state general fund. Expenditures shall not exceed
20 revenue generated by such agreements and shall be treated as a recovery
21 of costs.

22 (b) The department of corrections shall accomplish personnel
23 reductions with the least possible impact on correctional custody
24 staff, community custody staff, and correctional industries. For the
25 purposes of this subsection, correctional custody staff means employees
26 responsible for the direct supervision of offenders.

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

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

1 (e) During the 2003-2005 biennium, when contracts are established
2 or renewed for offender pay phone and other telephone services provided
3 to inmates, the department shall select the contractor or contractors
4 primarily based on the following factors: (i) The lowest rate charged
5 to both the inmate and the person paying for the telephone call; and
6 (ii) the lowest commission rates paid to the department, while
7 providing reasonable compensation to cover the costs of the department
8 to provide the telephone services to inmates and provide sufficient
9 revenues for the activities funded from the institutional welfare
10 betterment account.

11 (f) \$2,984,000 of the violence reduction and drug enforcement
12 appropriation is provided solely for chemical dependency treatment to
13 offenders pursuant to the drug reform act of 2002.

14 (3) COMMUNITY SUPERVISION

| | | |
|----|---|---------------|
| 15 | General Fund--State Appropriation (FY 2004) | \$67,926,000 |
| 16 | General Fund--State Appropriation (FY 2005) | \$67,189,000 |
| 17 | Public Safety and Education Account--State | |
| 18 | Appropriation | \$15,492,000 |
| 19 | TOTAL APPROPRIATION | \$150,607,000 |

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

22 (a) The department of corrections shall accomplish personnel
23 reductions with the least possible impact on correctional custody
24 staff, community custody staff, and correctional industries. For the
25 purposes of this subsection, correctional custody staff means employees
26 responsible for the direct supervision of offenders.

27 (b) \$75,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$75,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for the department of corrections
30 to contract with the institute for public policy for responsibilities
31 assigned in chapter 196, Laws of 1999 (offender accountability act) and
32 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
33 sentencing).

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

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

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

7 (iii) The pilot project shall test the system using sex or
8 kidnapping offenders under the jurisdiction of the department of
9 corrections and persons civilly committed under chapter 71.09 RCW under
10 a variety of supervision circumstances. Offenders included in the
11 pilot project shall be offenders who have been classified as level
12 three offenders by the end of sentence review committee and over whom
13 the department of corrections has authority to establish conditions of
14 supervision or persons who have been ordered to be electronically
15 monitored by the court in a proceeding under chapter 71.09 RCW and who
16 have been classified as level three offenders by the end of sentence
17 review committee.

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

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

25 (A) The availability of the technology, including a description of
26 the system used and a discussion of the various types of global
27 positioning system-based monitoring available and appropriate for a sex
28 offender population;

29 (B) Any geographic or weather-related limitations posed by the
30 technology;

31 (C) The reliability, including the false alarm rate of the
32 technology;

33 (D) Any training requirements for department of corrections staff
34 or supervised persons;

35 (E) Any distinctions in effectiveness or feasibility for different
36 supervision populations;

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

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

3 (H) The rate of loss or damage to equipment used by the subjects of
4 the pilot; and

5 (I) Limitations in the pilot to determining the answers to the
6 items in this subsection (3)(c)(v).

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

10 (4) CORRECTIONAL INDUSTRIES

| | | |
|----|---|-------------|
| 11 | General Fund--State Appropriation (FY 2004) | \$642,000 |
| 12 | General Fund--State Appropriation (FY 2005) | \$642,000 |
| 13 | TOTAL APPROPRIATION | \$1,284,000 |

14 The appropriations in this subsection are subject to the following
15 conditions and limitations: \$110,000 of the general fund--state
16 appropriation for fiscal year 2004 and \$110,000 of the general fund--
17 state appropriation for fiscal year 2005 are provided solely for
18 transfer to the jail industries board. The board shall use the amounts
19 provided only for administrative expenses, equipment purchases, and
20 technical assistance associated with advising cities and counties in
21 developing, promoting, and implementing consistent, safe, and efficient
22 offender work programs.

23 (5) INTERAGENCY PAYMENTS

| | | |
|----|---|--------------|
| 24 | General Fund--State Appropriation (FY 2004) | \$27,951,000 |
| 25 | General Fund--State Appropriation (FY 2005) | \$27,986,000 |
| 26 | TOTAL APPROPRIATION | \$55,937,000 |

27 NEW SECTION. **Sec. 223. FOR THE DEPARTMENT OF SERVICES FOR THE**
28 **BLIND**

| | | |
|----|---|--------------|
| 29 | General Fund--State Appropriation (FY 2004) | \$1,773,000 |
| 30 | General Fund--State Appropriation (FY 2005) | \$1,773,000 |
| 31 | General Fund--Federal Appropriation | \$14,334,000 |
| 32 | General Fund--Private/Local Appropriation | \$80,000 |
| 33 | TOTAL APPROPRIATION | \$17,960,000 |

34 NEW SECTION. **Sec. 224. FOR THE SENTENCING GUIDELINES COMMISSION**

| | | |
|----|---|-----------|
| 35 | General Fund--State Appropriation (FY 2004) | \$737,000 |
|----|---|-----------|

| | | |
|----|--|---------------|
| 1 | General Fund--State Appropriation (FY 2005) | \$741,000 |
| 2 | TOTAL APPROPRIATION | \$1,478,000 |
| 3 | <u>NEW SECTION. Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT</u> | |
| 4 | General Fund--Federal Appropriation | \$265,438,000 |
| 5 | General Fund--Private/Local Appropriation | \$29,861,000 |
| 6 | Unemployment Compensation Administration Account-- | |
| 7 | Federal Appropriation | \$178,405,000 |
| 8 | Administrative Contingency Account--State | |
| 9 | Appropriation | \$11,970,000 |
| 10 | Employment Service Administrative Account--State | |
| 11 | Appropriation | \$24,084,000 |
| 12 | TOTAL APPROPRIATION | \$509,758,000 |

(End of part)

PART III
NATURAL RESOURCES

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

| | |
|---|-------------|
| General Fund--State Appropriation (FY 2004) | \$275,000 |
| General Fund--State Appropriation (FY 2005) | \$277,000 |
| General Fund--Private/Local Appropriation | \$527,000 |
| TOTAL APPROPRIATION | \$1,079,000 |

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

| | |
|--|--------------|
| General Fund--State Appropriation (FY 2004) | \$32,588,000 |
| General Fund--State Appropriation (FY 2005) | \$32,313,000 |
| General Fund--Federal Appropriation | \$56,820,000 |
| General Fund--Private/Local Appropriation | \$3,658,000 |
| Special Grass Seed Burning Research Account--State Appropriation | \$14,000 |
| Reclamation Account--State Appropriation | \$2,752,000 |
| Flood Control Assistance Account--State Appropriation | \$2,012,000 |
| State Emergency Water Projects Revolving Account--State Appropriation | \$551,000 |
| Waste Reduction/Recycling/Litter Control--State Appropriation | \$13,656,000 |
| State Drought Preparedness--State Appropriation | \$1,707,000 |
| State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation | \$591,000 |
| Site Closure Account--State Appropriation | \$629,000 |
| Water Quality Account--State Appropriation | \$25,163,000 |
| Wood Stove Education and Enforcement Account--State Appropriation | \$356,000 |
| Worker and Community Right-to-Know Account--State Appropriation | \$3,317,000 |
| State Toxics Control Account--State Appropriation | \$58,134,000 |
| State Toxics Control Account--Private/Local Appropriation | \$352,000 |
| Local Toxics Control Account--State Appropriation | \$4,837,000 |
| Water Quality Permit Account--State Appropriation | \$24,997,000 |
| Underground Storage Tank Account--State Appropriation | \$2,689,000 |

| | | |
|----|---|---------------|
| 1 | Environmental Excellence Account--State Appropriation | \$504,000 |
| 2 | Biosolids Permit Account--State Appropriation | \$782,000 |
| 3 | Hazardous Waste Assistance Account--State Appropriation . . . | \$4,150,000 |
| 4 | Air Pollution Control Account--State Appropriation | \$1,643,000 |
| 5 | Oil Spill Prevention Account--State Appropriation | \$7,674,000 |
| 6 | Air Operating Permit Account--State Appropriation | \$3,667,000 |
| 7 | Freshwater Aquatic Weeds Account--State Appropriation | \$2,502,000 |
| 8 | Oil Spill Response Account--State Appropriation | \$7,078,000 |
| 9 | Metals Mining Account--State Appropriation | \$19,000 |
| 10 | Water Pollution Control Revolving Account--State | |
| 11 | Appropriation | \$379,000 |
| 12 | Water Pollution Control Revolving Account--Federal | |
| 13 | Appropriation | \$1,850,000 |
| 14 | TOTAL APPROPRIATION | \$297,384,000 |

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

17 (1) \$2,708,196 of the general fund--state appropriation for fiscal
18 year 2004, \$2,708,196 of the general fund--state appropriation for
19 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
20 \$2,581,000 of the state toxics account--state appropriation, \$217,830
21 of the water quality account--state appropriation, \$322,976 of the
22 state drought preparedness account--state appropriation, \$3,748,220 of
23 the water quality permit account--state appropriation, and \$2,104,942
24 of the oil spill prevention account are provided solely for the
25 implementation of the Puget Sound work plan and agency action items
26 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

27 (2) \$4,059,000 of the state toxics control account appropriation is
28 provided solely for methamphetamine lab clean-up activities.

29 (3) \$170,000 of the oil spill prevention account appropriation is
30 provided solely for implementation of the Puget Sound work plan action
31 item UW-02 through a contract with the University of Washington's sea
32 grant program to develop an educational program targeted to small
33 spills from commercial fishing vessels, ferries, cruise ships, ports,
34 and marinas.

35 (4) Fees approved by the department of ecology in the 2003-05
36 biennium are authorized to exceed the fiscal growth factor under RCW
37 43.135.055.

1 (5) \$200,000 of the water quality account--state appropriation is
2 provided solely for the department to contract with Washington State
3 University cooperative extension program to provide statewide
4 coordination and support for coordinated resource management.

5 (6) The water quality account--state appropriation is deemed
6 sufficient to implement Substitute Senate Bill No. 5027 (watershed
7 planning).

8 (7) The appropriations in this section are deemed sufficient to
9 implement Substitute Senate Bill No. 5024 (municipal water rights).

10 (8) The department of ecology is authorized to take one of the
11 following actions related to the grant awarded in the 2001-03 biennium
12 to Lincoln county for the Negro Creek flood control project, flood
13 control assistance account program grant G0200049: (a) Carry forward
14 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
15 the time of performance for the grant contract to the end of the 2003-
16 2005 biennium.

17 NEW SECTION. **Sec. 303. FOR THE STATE PARKS AND RECREATION**
18 **COMMISSION**

| | | |
|----|--|---------------|
| 19 | General Fund--State Appropriation (FY 2004) | \$30,099,000 |
| 20 | General Fund--State Appropriation (FY 2005) | \$30,086,000 |
| 21 | General Fund--Federal Appropriation | \$2,647,000 |
| 22 | General Fund--Private/Local Appropriation | \$63,000 |
| 23 | Winter Recreation Program Account--State Appropriation . . | \$1,074,000 |
| 24 | Off Road Vehicle Account--State Appropriation | \$266,000 |
| 25 | Snowmobile Account--State Appropriation | \$4,668,000 |
| 26 | Aquatic Lands Enhancement Account--State Appropriation . . . | \$327,000 |
| 27 | Public Safety and Education Account--State Appropriation . . . | \$47,000 |
| 28 | Water Trail Program Account--State Appropriation | \$25,000 |
| 29 | Parks Renewal and Stewardship Account--State | |
| 30 | Appropriation | \$33,261,000 |
| 31 | TOTAL APPROPRIATION | \$102,563,000 |

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

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

1 (2) \$79,000 of the general fund--state appropriation for fiscal
2 year 2004, \$79,000 of the general fund--state appropriation for fiscal
3 year 2005, and \$8,000 of the winter recreation program account--state
4 appropriation are provided solely for a grant for the operation of the
5 Northwest avalanche center.

6 (3) \$191,000 of the aquatic lands enhancement account appropriation
7 is provided solely for the implementation of the Puget Sound work plan
8 and agency action item P+RC-02.

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

13 NEW SECTION. **Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR**
14 **RECREATION**

| | | |
|----|--|--------------|
| 15 | General Fund--State Appropriation (FY 2004) | \$1,261,000 |
| 16 | General Fund--State Appropriation (FY 2005) | \$1,271,000 |
| 17 | General Fund--Federal Appropriation | \$21,358,000 |
| 18 | Aquatic Lands Enhancement Account--State Appropriation | \$254,000 |
| 19 | Water Quality Account--State Appropriation | \$200,000 |
| 20 | Firearms Range Account--State Appropriation | \$22,000 |
| 21 | Recreation Resources Account--State Appropriation | \$2,538,000 |
| 22 | NOVA Program Account--State Appropriation | \$659,000 |
| 23 | TOTAL APPROPRIATION | \$27,563,000 |

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

26 (1) \$250,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$250,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely to implement priority
29 recommendations developed by the monitoring oversight committee as
30 directed by RCW 77.85.210. Within these funds, activity shall be
31 directed to improve monitoring oversight within watersheds, enhance
32 data coordination and access among recovery partners, and produce a
33 state watershed health report card.

34 (2) \$16,000,000 of the general fund--federal appropriation is
35 provided solely for implementation of the forest and fish agreement
36 rules. These funds will be allocated to the department of natural
37 resources and the department of fish and wildlife.

1 (3) \$41,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$41,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the operation and maintenance
4 of the natural resources data portal.

5 (4) \$813,000 of the general fund--state appropriation for fiscal
6 year 2004, \$813,000 of the general fund--state appropriation for fiscal
7 year 2005, and \$5,000,000 of the general fund--federal appropriation
8 are provided to the salmon recovery funding board for distribution to
9 lead entities and regional recovery boards. The board shall establish
10 policies to require coordination of funding requests from lead entities
11 and regional recovery boards to ensure that recovery efforts are
12 synchronized. At the discretion of the board, funding shall be
13 concentrated in watersheds within the highest priority salmon recovery
14 regions as defined by the statewide strategy to recover salmon. The
15 board shall also coordinate funding decisions with the northwest power
16 planning council to ensure maximum efficiency and investment return.

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

| | | |
|----|---|-------------|
| 18 | General Fund--State Appropriation (FY 2004) | \$876,000 |
| 19 | General Fund--State Appropriation (FY 2005) | \$923,000 |
| 20 | TOTAL APPROPRIATION | \$1,799,000 |

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

| | | |
|----|---|-------------|
| 22 | General Fund--State Appropriation (FY 2004) | \$2,119,000 |
| 23 | General Fund--State Appropriation (FY 2005) | \$2,127,000 |
| 24 | Water Quality Account--State Appropriation | \$2,164,000 |
| 25 | TOTAL APPROPRIATION | \$6,410,000 |

26 The appropriations in this section are subject to the following
27 conditions and limitations: \$247,000 of the general fund--state
28 appropriation for fiscal year 2004 and \$247,000 of the general fund--
29 state appropriation for fiscal year 2005 are provided solely for the
30 implementation of the Puget Sound work plan and agency action item CC-
31 01.

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

| | | |
|----|---|--------------|
| 33 | General Fund--State Appropriation (FY 2004) | \$42,393,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$40,818,000 |
| 35 | General Fund--Federal Appropriation | \$31,507,000 |

| | | |
|----|---|---------------|
| 1 | General Fund--Private/Local Appropriation | \$24,190,000 |
| 2 | Off Road Vehicle Account--State Appropriation | \$471,000 |
| 3 | Aquatic Lands Enhancement Account--State Appropriation . . | \$5,570,000 |
| 4 | Public Safety and Education Account--State Appropriation . . | \$562,000 |
| 5 | Recreational Fisheries Enhancement--State Appropriation . . | \$3,370,000 |
| 6 | Warm Water Game Fish Account--State Appropriation | \$2,533,000 |
| 7 | Eastern Washington Pheasant Enhancement Account--State | |
| 8 | Appropriation | \$750,000 |
| 9 | Wildlife Account--State Appropriation | \$55,986,000 |
| 10 | Wildlife Account--Federal Appropriation | \$37,990,000 |
| 11 | Wildlife Account--Private/Local Appropriation | \$15,110,000 |
| 12 | Game Special Wildlife Account--State Appropriation | \$1,936,000 |
| 13 | Game Special Wildlife Account--Federal Appropriation | \$9,582,000 |
| 14 | Game Special Wildlife Account--Private/Local | |
| 15 | Appropriation | \$350,000 |
| 16 | Water Quality Account--State Appropriation | \$4,000 |
| 17 | Environmental Excellence Account--State Appropriation | \$15,000 |
| 18 | Regional Fisheries Salmonid Recovery Account--Federal | |
| 19 | Appropriation | \$1,750,000 |
| 20 | Oil Spill Prevention Account--State Appropriation | \$977,000 |
| 21 | Oyster Reserve Land Account--State Appropriation | \$137,000 |
| 22 | TOTAL APPROPRIATION | \$276,001,000 |

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

25 (1) \$1,355,714 of the general fund--state appropriation for fiscal
26 year 2004, \$1,355,713 of the general fund--state appropriation for
27 fiscal year 2005, and \$402,000 of the wildlife account--state
28 appropriation are provided solely for the implementation of the Puget
29 Sound work plan and agency action items DFW-01 through DFW-06.

30 (2) \$150,000 of the wildlife account--state appropriation is
31 provided solely for the development and implementation of an agency
32 strategic marketing plan. The department shall contract for
33 professional services to develop the commission's strategic marketing
34 plan. Implementation of the watchable wildlife decal program, as
35 outlined in Substitute Senate Bill No. 5204, may not occur prior to the
36 fish and wildlife commission's approval of the final strategic
37 marketing plan. This plan shall be completed by September 3, 2004.

1 (3) \$225,000 of the general fund--state appropriation for fiscal
2 year 2004, \$225,000 of the general fund--state appropriation for fiscal
3 year 2005, and \$550,000 of the wildlife account--state appropriation
4 are provided solely for the implementation of hatchery reform
5 recommendations defined by the hatchery scientific review group.

6 (4) \$850,000 of the wildlife account--state appropriation is
7 provided solely for stewardship and maintenance needs on agency-owned
8 lands and water access sites.

9 (5) \$900,000 of the wildlife fund--state appropriation is provided
10 solely for wetland restoration activities for migratory waterfowl by
11 providing landowner incentives to create or maintain waterfowl habitat
12 and management activities.

13 (6) The department shall emphasize enforcement of laws related to
14 protection of fish habitat and the illegal harvest of salmon and
15 steelhead. Within the amount provided for the agency, the department
16 shall provide support to the department of health to enforce state
17 shellfish harvest laws.

18 (7) \$2,000,000 of the aquatic lands enhancement account
19 appropriation is provided for cooperative volunteer projects.

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

26 (9) The department shall develop and implement an activity-based
27 costing system. The system shall be operational no later than January
28 1, 2004.

29 (10) \$400,000 of the wildlife account--state appropriation is
30 provided solely to implement the department's information systems
31 strategic plan to include continued implementation of a personal
32 computer leasing plan, an upgrade of computer back-up systems, systems
33 architecture assessment, and network security analysis.

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

1 (12) \$14,680,000 of the wildlife account--state appropriation is
 2 provided solely for the operation of the wildlife program and is
 3 contingent upon the department meeting the following conditions: In
 4 Okanogan, Ferry, Stevens, and Pend Oreille counties, the department
 5 shall not acquire properties with funds provided by the federal
 6 government, except in noncontiguous parcels less than five acres in
 7 size.

8 (13) \$43,000 of the general fund--state appropriation for fiscal
 9 year 2004 and \$42,000 of the general fund--state appropriation for
 10 fiscal year 2005 are provided solely for staffing and operation of the
 11 Tennant Lake interpretive center.

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

| | | |
|----|--|---------------|
| 13 | General Fund--State Appropriation (FY 2004) | \$28,699,000 |
| 14 | General Fund--State Appropriation (FY 2005) | \$34,629,000 |
| 15 | General Fund--Federal Appropriation | \$3,809,000 |
| 16 | General Fund--Private/Local Appropriation | \$2,482,000 |
| 17 | Forest Development Account--State Appropriation | \$53,380,000 |
| 18 | Off Road Vehicle Account--State Appropriation | \$3,670,000 |
| 19 | Surveys and Maps Account--State Appropriation | \$2,693,000 |
| 20 | Aquatic Lands Enhancement Account--State Appropriation . . | \$6,904,000 |
| 21 | Resources Management Cost Account--State Appropriation . . | \$72,594,000 |
| 22 | Surface Mining Reclamation Account--State Appropriation . . | \$2,217,000 |
| 23 | Water Quality Account--State Appropriation | \$2,407,000 |
| 24 | Aquatic Land Dredged Material Disposal Site Account-- | |
| 25 | State Appropriation | \$1,294,000 |
| 26 | Natural Resources Conservation Areas Stewardship Account-- | |
| 27 | State Appropriation | \$83,000 |
| 28 | Air Pollution Control Account--State Appropriation | \$518,000 |
| 29 | Derelict Vessel Removal Account--State Appropriation . . . | \$1,128,000 |
| 30 | Disaster Response Account--State Appropriation | \$6,200,000 |
| 31 | Agricultural College Trust Management Account--State | |
| 32 | Appropriation | \$1,818,000 |
| 33 | TOTAL APPROPRIATION | \$224,525,000 |

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

36 (1) \$18,000 of the general fund--state appropriation for fiscal
 37 year 2004, \$18,000 of the general fund--state appropriation for fiscal

1 year 2005, and \$1,006,950 of the aquatic lands enhancement account
2 appropriation are provided solely for the implementation of the Puget
3 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

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

10 (3) \$2,159,500 of the general fund--state appropriation for fiscal
11 year 2004, \$8,359,500 of the general fund--state appropriation for
12 fiscal year 2005, and \$6,200,000 of the disaster response account--
13 state appropriation are provided solely for emergency fire suppression.

14 (4) \$582,000 of the aquatic lands enhancement account appropriation
15 is provided solely for spartina control.

16 (5) Fees approved by the board of natural resources in the 2003-05
17 biennium are authorized to exceed the fiscal growth factor under RCW
18 43.135.055.

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

24 (7) Authority to expend funding for acquisition of technology
25 equipment and software associated with development of a new revenue
26 management system is conditioned on compliance with section 902 of this
27 act.

28 (8) \$1,000,000 of the aquatic lands enhancement account--state
29 appropriation is provided solely for the department to meet its
30 obligations with the U.S. environmental protection agency for the
31 clean-up of Commencement Bay.

32 (9) For the 2003-05 fiscal biennium, the department has revised the
33 methodology by which administrative costs of the department are
34 allocated among the state general fund and the various dedicated funds
35 and accounts from which the department receives appropriations. The
36 legislature recognizes that the revised methodology represents a fair
37 and equitable allocation of costs under state law and accounting rules.

1 The legislature further finds that retroactive application of the
2 revised methodology is neither practical nor desirable.

3 (10) \$4,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$4,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely to compensate the forest board
6 trust for a portion of the lease to the Crescent television improvement
7 district consistent with RCW 79.12.055.

8 (11) The department of natural resources shall provide a report to
9 the appropriate committees of the legislature, the office of financial
10 management, the office of the attorney general, and the board of
11 natural resources concerning the costs and effectiveness of the
12 contract harvesting program as authorized by Second Substitute Senate
13 Bill No. 5074 (contract harvesting). The report shall be submitted by
14 December 31, 2006, and shall include the following information:

- 15 (a) Number of sales conducted through contract harvesting;
- 16 (b) For each sale conducted, the (i) number of board feet sold;
- 17 (ii) stumpage and pond prices; (iii) difference in revenues received
- 18 compared to revenues that would have accrued through noncontract
- 19 harvest sales, and the distribution of revenues to the contract
- 20 harvesting revolving account, and to applicable management and trust
- 21 accounts; and (iv) total cost to conduct the contract harvest, by fund
- 22 and object of expenditure; and
- 23 (c) Other costs and benefits attributable to contract harvesting.

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

| | | |
|----|--|--------------|
| 25 | General Fund--State Appropriation (FY 2004) | \$7,414,000 |
| 26 | General Fund--State Appropriation (FY 2005) | \$7,244,000 |
| 27 | General Fund--Federal Appropriation | \$10,017,000 |
| 28 | General Fund--Private/Local Appropriation | \$1,110,000 |
| 29 | Aquatic Lands Enhancement Account--State Appropriation . . . | \$1,931,000 |
| 30 | Water Quality Account--State Appropriation | \$640,000 |
| 31 | State Toxics Control Account--State Appropriation | \$2,566,000 |
| 32 | Water Quality Permit Account--State Appropriation | \$110,000 |
| 33 | TOTAL APPROPRIATION | \$31,032,000 |

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

36 (1) \$37,000 of the general fund--state appropriation for fiscal

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

4 (2) Fees and assessments approved by the department in the 2003-05
5 biennium are authorized to exceed the fiscal growth factor under RCW
6 43.135.055.

7 (3) The water quality account--state appropriation and the water
8 quality permit account--state appropriation are provided solely to
9 implement the dairy nutrient management program as transferred from the
10 department of ecology by Engrossed Substitute Senate Bill No. 5889
11 (animal feeding operations). If Engrossed Substitute Senate Bill No.
12 5889 is not enacted by June 30, 2003, these appropriations shall be
13 transferred to the department of ecology.

14 NEW SECTION. **Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY**
15 **REINSURANCE PROGRAM**

16 Pollution Liability Insurance Program Trust
17 Account--State Appropriation \$914,000

(End of part)

PART IV
TRANSPORTATION

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

| | | |
|----|--|--------------|
| 4 | General Fund--State Appropriation (FY 2004) | \$5,009,000 |
| 5 | General Fund--State Appropriation (FY 2005) | \$5,013,000 |
| 6 | Architects' License Account--State Appropriation | \$695,000 |
| 7 | Cemetery Account--State Appropriation | \$238,000 |
| 8 | Professional Engineers' Account--State Appropriation | \$3,036,000 |
| 9 | Real Estate Commission Account--State Appropriation | \$7,133,000 |
| 10 | Master License Account--State Appropriation | \$9,125,000 |
| 11 | Uniform Commercial Code Account--State Appropriation | \$2,987,000 |
| 12 | Real Estate Education Account--State Appropriation | \$276,000 |
| 13 | Real Estate Appraiser Commission Account--State | |
| 14 | Appropriation | \$927,000 |
| 15 | Real Estate Research Account--State Appropriation | \$308,000 |
| 16 | Funeral Directors and Embalmers Account--State | |
| 17 | Appropriation | \$521,000 |
| 18 | Geologists' Account--State Appropriation | \$9,000 |
| 19 | Data Processing Revolving Account--State Appropriation | \$29,000 |
| 20 | TOTAL APPROPRIATION | \$35,306,000 |

21 The appropriations in this section are subject to the following
22 conditions and limitations: In accordance with RCW 43.24.086, it is
23 the policy of the state of Washington that the cost of each
24 professional, occupational, or business licensing program be fully
25 borne by the members of that profession, occupation, or business. For
26 each licensing program covered by RCW 43.24.086, the department shall
27 set fees at levels sufficient to fully cover the cost of administering
28 the licensing program, including any costs associated with policy
29 enhancements funded in the 2003-05 fiscal biennium. Pursuant to RCW
30 43.135.055, during the 2003-05 fiscal biennium, the department may
31 increase fees in excess of the fiscal growth factor if the increases
32 are necessary to fully fund the costs of the licensing programs.

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

| | | |
|----|---|--------------|
| 34 | General Fund--State Appropriation (FY 2004) | \$20,150,000 |
| 35 | General Fund--State Appropriation (FY 2005) | \$19,000,000 |

| | | |
|----|---|--------------|
| 1 | General Fund--Federal Appropriation | \$4,260,000 |
| 2 | General Fund--Private/Local Appropriation | \$380,000 |
| 3 | Death Investigations Account--State Appropriation | \$4,503,000 |
| 4 | Public Safety and Education Account--State | |
| 5 | Appropriation | \$20,696,000 |
| 6 | Enhanced 911 Account--State Appropriation | \$612,000 |
| 7 | County Criminal Justice Assistance Account--State | |
| 8 | Appropriation | \$2,771,000 |
| 9 | Municipal Criminal Justice Assistance Account--State | |
| 10 | Appropriation | \$1,151,000 |
| 11 | Fire Service Trust Account--State Appropriation | \$127,000 |
| 12 | Fire Service Training Account--State Appropriation | \$6,634,000 |
| 13 | State Toxics Control Account--State Appropriation | \$438,000 |
| 14 | Violence Reduction and Drug Enforcement Account--State | |
| 15 | Appropriation | \$272,000 |
| 16 | Fingerprint Identification Account--State Appropriation | \$4,421,000 |
| 17 | TOTAL APPROPRIATION | \$85,415,000 |

18 The appropriations in this section are subject to the following
19 conditions and limitations: \$200,000 of the fire services account--
20 state appropriation is provided solely for two FTE's in the office of
21 state fire marshal to exclusively review K-12 construction documents
22 for fire and life safety in accordance with the state building code.
23 It is the intent of this appropriation to provide these services only
24 to those districts that are located in counties without qualified
25 review 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) | \$11,196,000 |
| General Fund--State Appropriation (FY 2005) | \$11,185,000 |
| General Fund--Federal Appropriation | \$15,509,000 |
| TOTAL APPROPRIATION | \$37,890,000 |

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

(a) \$10,237,000 of the general fund--state appropriation for fiscal year 2004 and \$10,234,000 of the general fund--state appropriation for fiscal year 2005 are provided for the operation and expenses of the office of the superintendent of public instruction.

(b) \$407,000 of the general fund--state appropriation for fiscal year 2004 and \$407,000 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) \$395,000 of the general fund--state appropriation for fiscal year 2004 and \$395,000 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 before 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 health issues among children. Disease prevention among infants at the

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

4 (2) STATEWIDE PROGRAMS

| | | |
|---|---|--------------|
| 5 | General Fund--State Appropriation (FY 2004) | \$6,724,000 |
| 6 | General Fund--State Appropriation (FY 2005) | \$6,720,000 |
| 7 | General Fund--Federal Appropriation | \$66,405,000 |
| 8 | TOTAL APPROPRIATION | \$79,849,000 |

9 The appropriations in this subsection are provided solely for the
10 statewide programs specified in this subsection and are subject to the
11 following conditions and limitations:

12 (a) HEALTH AND SAFETY

13 (i) A maximum of \$89,000 of the general fund--state appropriation
14 for fiscal year 2004 and a maximum of \$89,000 of the general fund--
15 state appropriation for fiscal year 2005 are provided for the school
16 safety center in the office of the superintendent of public instruction
17 subject to the following conditions and limitations.

18 (A) The safety center shall: Disseminate successful models of
19 school safety plans and cooperative efforts; provide assistance to
20 schools to establish a comprehensive safe school plan; select models of
21 cooperative efforts that have been proven successful; act as an
22 information dissemination and resource center when an incident occurs
23 in a school district either in Washington or in another state;
24 coordinate activities relating to school safety; review and approve
25 manuals and curricula used for school safety models and training; and
26 develop and maintain a school safety information web site.

27 (B) The superintendent of public instruction shall participate in
28 a school safety center advisory committee that includes representatives
29 of educators, classified staff, principals, superintendents,
30 administrators, the American society for industrial security, the state
31 criminal justice training commission, and others deemed appropriate and
32 approved by the school safety center advisory committee. Members of
33 the committee shall be chosen by the groups they represent. In
34 addition, the Washington association of sheriffs and police chiefs
35 shall appoint representatives of law enforcement to participate on the
36 school safety center advisory committee. The advisory committee shall
37 select a chair.

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

4 (ii) \$400,000 of the general fund--federal appropriation
5 transferred from the department of health is provided for a program
6 that provides grants to school districts for media campaigns promoting
7 sexual abstinence and addressing the importance of delaying sexual
8 activity, pregnancy, and childbearing until individuals are ready to
9 nurture and support their children. Grants to the school districts
10 shall be for projects that are substantially designed and produced by
11 students. The grants shall require a local private sector match, which
12 may include in-kind contribution of technical or other assistance from
13 consultants or firms involved in public relations, advertising,
14 broadcasting, and graphics or video production or other related fields.

15 (iii) \$13,663,000 of the general fund--federal appropriation is
16 provided for safe and drug free schools and communities grants for drug
17 and violence prevention activities and strategies.

18 (iv) A maximum \$2,541,000 of the general fund--state appropriation
19 for fiscal year 2004 and a maximum of \$2,541,000 of the general fund--
20 state appropriation for fiscal year 2005 are provided for a corps of
21 nurses located at educational service districts, as determined by the
22 superintendent of public instruction, to be dispatched to the most
23 needy schools to provide direct care to students, health education, and
24 training for school staff.

25 (v) A maximum of \$146,000 of the general fund--state appropriation
26 for fiscal year 2004 and a maximum of \$146,000 of the general fund--
27 state appropriation for fiscal year 2005 are provided for a nonviolence
28 and leadership training program provided by the institute for community
29 leadership. The program shall provide the following:

30 (A) Statewide nonviolence leadership coaches training program for
31 certification of educational employees and community members in
32 nonviolence leadership workshops;

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

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

1 (b) TECHNOLOGY

2 (i) A maximum of \$1,939,000 of the general fund--state
3 appropriation for fiscal year 2004 and a maximum of \$1,939,000 of the
4 general fund--state appropriation for fiscal year 2005 are provided for
5 K-20 telecommunications network technical support in the K-12 sector to
6 prevent system failures and avoid interruptions in school utilization
7 of the data processing and video-conferencing capabilities of the
8 network. These funds may be used to purchase engineering and advanced
9 technical support for the network. A maximum of \$650,000 of this
10 amount may be expended for state-level administration and staff
11 training on the K-20 network.

12 (ii) A maximum of \$540,000 of the general fund--state appropriation
13 for fiscal year 2004 and a maximum of \$540,000 of the general fund--
14 state appropriation for fiscal year 2005 are provided for the
15 Washington state leadership assistance for science education reform
16 (LASER) regional partnership coordinated at the Pacific Science Center.

17 (c) GRANTS AND ALLOCATIONS

18 (i) A maximum of \$761,000 of the general fund--state appropriation
19 for fiscal year 2004 and a maximum of \$757,000 of the general fund--
20 state appropriation for fiscal year 2005 are provided for alternative
21 certification routes. Funds may be used for the professional educator
22 standards board to continue existing alternative-route grant programs
23 and create new alternative-route programs in regions of the state with
24 service shortages.

25 (ii) A maximum of \$612,000 of the general fund--state appropriation
26 for fiscal year 2004 and a maximum of \$612,000 of the general fund--
27 state appropriation for fiscal year 2005 are provided for in-service
28 training and educational programs conducted by the Pacific Science
29 Center.

30 (iii) A maximum of \$97,000 of the general fund--state appropriation
31 for fiscal year 2004 and a maximum of \$97,000 of the general fund--
32 state appropriation for fiscal year 2005 are provided to support
33 vocational student leadership organizations.

34 (iv) \$1,433,000 of the general fund--federal appropriation is
35 provided for the advanced placement fee program to increase
36 opportunities for low-income students and under-represented populations
37 to participate in advanced placement courses and to increase the
38 capacity of schools to provide advanced placement courses to students.

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

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

9 NEW SECTION. **Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC**
10 **INSTRUCTION--FOR GENERAL APPORTIONMENT**

| | | |
|----|---|-----------------|
| 11 | General Fund--State Appropriation (FY 2004) | \$3,949,796,000 |
| 12 | General Fund--State Appropriation (FY 2005) | \$3,966,361,000 |
| 13 | TOTAL APPROPRIATION | \$7,916,157,000 |

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

16 (1) Each general fund fiscal year appropriation includes such funds
17 as are necessary to complete the school year ending in the fiscal year
18 and for prior fiscal year adjustments.

19 (2) Allocations for certificated staff salaries for the 2003-04 and
20 2004-05 school years shall be determined using formula-generated staff
21 units calculated pursuant to this subsection. Staff allocations for
22 small school enrollments in (d) through (f) of this subsection shall be
23 reduced for vocational full-time equivalent enrollments. Staff
24 allocations for small school enrollments in grades K-6 shall be the
25 greater of that generated under (a) of this subsection, or under (d)
26 and (e) of this subsection. Certificated staffing allocations shall be
27 as follows:

28 (a) On the basis of each 1,000 average annual full-time equivalent
29 enrollments, excluding full-time equivalent enrollment otherwise
30 recognized for certificated staff unit allocations under (c) through
31 (f) of this subsection:

32 (i) Four certificated administrative staff units per thousand full-
33 time equivalent students in grades K-12;

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

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

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

6 (A) Funds provided under this subsection (2)(a)(iv) in excess of
7 the amount required to maintain the statutory minimum ratio established
8 under RCW 28A.150.260(2)(b) shall be allocated only if the district
9 documents an actual ratio in grades K-4 equal to or greater than 53.2
10 certificated instructional staff per thousand full-time equivalent
11 students. For any school district documenting a lower certificated
12 instructional staff ratio, the allocation shall be based on the
13 district's actual grades K-4 certificated instructional staff ratio
14 achieved in that school year, or the statutory minimum ratio
15 established under RCW 28A.150.260(2)(b), if greater;

16 (B) Districts at or above 51.0 certificated instructional staff per
17 one thousand full-time equivalent students in grades K-4 may dedicate
18 up to 1.3 of the 53.2 funding ratio to employ additional classified
19 instructional assistants assigned to basic education classrooms in
20 grades K-4. For purposes of documenting a district's staff ratio under
21 this section, funds used by the district to employ additional
22 classified instructional assistants shall be converted to a
23 certificated staff equivalent and added to the district's actual
24 certificated instructional staff ratio. Additional classified
25 instructional assistants, for the purposes of this subsection, shall be
26 determined using the 1989-90 school year as the base year;

27 (C) Any district maintaining a ratio in grades K-4 equal to or
28 greater than 53.2 certificated instructional staff per thousand full-
29 time equivalent students may use allocations generated under this
30 subsection (2)(a)(iv) in excess of that required to maintain the
31 minimum ratio established under RCW 28A.150.260(2)(b) to employ
32 additional basic education certificated instructional staff or
33 classified instructional assistants in grades 5-6. Funds allocated
34 under this subsection (2)(a)(iv) shall only be expended to reduce class
35 size in grades K-6. No more than 1.3 of the certificated instructional
36 funding ratio amount may be expended for provision of classified
37 instructional assistants;

1 (b) For school districts with a minimum enrollment of 250 full-time
2 equivalent students whose full-time equivalent student enrollment count
3 in a given month exceeds the first of the month full-time equivalent
4 enrollment count by 5 percent, an additional state allocation of 110
5 percent of the share that such increased enrollment would have
6 generated had such additional full-time equivalent students been
7 included in the normal enrollment count for that particular month;

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

9 (A) Vocational education programs approved by the superintendent of
10 public instruction, a maximum of 0.92 certificated instructional staff
11 units and 0.08 certificated administrative staff units for each 19.5
12 full-time equivalent vocational students; and

13 (B) Skills center programs meeting the standards for skills center
14 funding established in January 1999 by the superintendent of public
15 instruction, 0.92 certificated instructional staff units and 0.08
16 certificated administrative units for each 16.67 full-time equivalent
17 vocational students;

18 (ii) Vocational full-time equivalent enrollment shall be reported
19 on the same monthly basis as the enrollment for students eligible for
20 basic support, and payments shall be adjusted for reported vocational
21 enrollments on the same monthly basis as those adjustments for
22 enrollment for students eligible for basic support; and

23 (iii) For the 2003-04 and 2004-05 school years, indirect cost
24 charges by a school district to vocational-secondary programs shall not
25 exceed 15 percent of the combined basic education and vocational
26 enhancement allocations of state funds.

27 (d) For districts enrolling not more than twenty-five average
28 annual full-time equivalent students in grades K-8, and for small
29 school plants within any school district which have been judged to be
30 remote and necessary by the state board of education and enroll not
31 more than twenty-five average annual full-time equivalent students in
32 grades K-8:

33 (i) For those enrolling no students in grades 7 and 8, 1.76
34 certificated instructional staff units and 0.24 certificated
35 administrative staff units for enrollment of not more than five
36 students, plus one-twentieth of a certificated instructional staff unit
37 for each additional student enrolled; and

1 (ii) For those enrolling students in grades 7 or 8, 1.68
2 certificated instructional staff units and 0.32 certificated
3 administrative staff units for enrollment of not more than five
4 students, plus one-tenth of a certificated instructional staff unit for
5 each additional student enrolled;

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

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

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

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

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

27 (ii) For all other small high schools under this subsection, nine
28 certificated instructional staff units and one-half of a certificated
29 administrative staff unit for the first sixty average annual full time
30 equivalent students, and additional staff units based on a ratio of
31 0.8732 certificated instructional staff units and 0.1268 certificated
32 administrative staff units per each additional forty-three and one-half
33 average annual full time equivalent students.

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

1 (g) For each nonhigh school district having an enrollment of more
2 than seventy annual average full-time equivalent students and less than
3 one hundred eighty students, operating a grades K-8 program or a grades
4 1-8 program, an additional one-half of a certificated instructional
5 staff unit; and

6 (h) For each nonhigh school district having an enrollment of more
7 than fifty annual average full-time equivalent students and less than
8 one hundred eighty students, operating a grades K-6 program or a grades
9 1-6 program, an additional one-half of a certificated instructional
10 staff unit.

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

14 (a) For enrollments generating certificated staff unit allocations
15 under subsection (2)(d) through (h) of this section, one classified
16 staff unit for each three certificated staff units allocated under such
17 subsections;

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

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

25 (4) Fringe benefit allocations shall be calculated at a rate of
26 9.31 percent in the 2003-04 school year and 9.31 percent in the 2004-05
27 school year for certificated salary allocations provided under
28 subsection (2) of this section, and a rate of 12.53 percent in the
29 2003-04 school year and 12.53 percent in the 2004-05 school year for
30 classified salary allocations provided under subsection (3) of this
31 section.

32 (5) Insurance benefit allocations shall be calculated at the
33 maintenance rate specified in section 504(4) of this act, based on the
34 number of benefit units determined as follows:

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

37 (b) The number of classified staff units determined in subsection
38 (3) of this section multiplied by 1.152. This factor is intended to

1 adjust allocations so that, for the purposes of distributing insurance
2 benefits, full-time equivalent classified employees may be calculated
3 on the basis of 1440 hours of work per year, with no individual
4 employee counted as more than one full-time equivalent.

5 (6)(a) For nonemployee-related costs associated with each
6 certificated staff unit allocated under subsection (2)(a), (b), and (d)
7 through (h) of this section, there shall be provided a maximum of
8 \$8,785 per certificated staff unit in the 2003-04 school year and a
9 maximum of \$8,952 per certificated staff unit in the 2004-05 school
10 year.

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

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

21 (7) Allocations for substitute costs for classroom teachers shall
22 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
23 2004-05 school years per allocated classroom teacher exclusive of
24 salary increase amounts, if any, provided in section 504 of this act.
25 Solely for the purposes of this subsection, allocated classroom
26 teachers shall be equal to the number of certificated instructional
27 staff units allocated under subsection (2) of this section, multiplied
28 by the ratio between the number of actual basic education certificated
29 teachers and the number of actual basic education certificated
30 instructional staff reported statewide for the prior school year.

31 (8) Any school district board of directors may petition the
32 superintendent of public instruction by submission of a resolution
33 adopted in a public meeting to reduce or delay any portion of its basic
34 education allocation for any school year. The superintendent of public
35 instruction shall approve such reduction or delay if it does not impair
36 the district's financial condition. Any delay shall not be for more
37 than two school years. Any reduction or delay shall have no impact on

1 levy authority pursuant to RCW 84.52.0531 and local effort assistance
2 pursuant to chapter 28A.500 RCW.

3 (9) The superintendent may distribute a maximum of \$3,190,000 for
4 fiscal year 2004 and a maximum of \$3,202,000 during fiscal year 2005
5 outside the basic education formula as follows:

6 (a) For fire protection for school districts located in a fire
7 protection district as now or hereafter established pursuant to chapter
8 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
9 and a maximum of \$504,000 may be expended in fiscal year 2005; and

10 (b) A maximum of \$353,000 may be expended for school district
11 emergencies;

12 (c) For summer vocational programs at skills centers, a maximum of
13 \$2,035,000 may be expended each fiscal year; and

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

20 (10) For purposes of RCW 84.52.0531, the increase per full-time
21 equivalent student is 3.4 percent from the 2002-03 school year to the
22 2003-04 school year and 2.5 percent from the 2003-04 school year to the
23 2004-05 school year.

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

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

32 (b) For the fourth through eighth school years following
33 consolidation, the difference between the basic education formula staff
34 units received by the districts for the school year prior to
35 consolidation and the basic education formula staff units after
36 consolidation pursuant to subsection (2)(a) through (h) of this section
37 shall be reduced in increments of twenty percent per year.

1 (12) \$159,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,181,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the implementation of
4 Substitute Senate Bill No. 5012 (charter schools). If the bill is not
5 enacted before June 30, 2003, the amounts provided in this subsection
6 shall lapse.

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

13 (a) Salary allocations for certificated instructional staff units
14 shall be determined for each district by multiplying the district's
15 certificated instructional total base salary shown on LEAP Document 12E
16 for the appropriate year, by the district's average staff mix factor
17 for certificated instructional staff in that school year, computed
18 using LEAP Document 1Sa for the 2003-04 school year and LEAP Document
19 1Sb for the 2004-05 school year; and

20 (b) Salary allocations for certificated administrative staff units
21 and classified staff units for each district shall be based on the
22 district's certificated administrative and classified salary allocation
23 amounts shown on LEAP Document 12E for the appropriate year.

24 (2) For the purposes of this section:

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

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

35 (c) "LEAP Document 12E" means the computerized tabulation of 2003-
36 04 and 2004-05 school year salary allocations for certificated
37 administrative staff and classified staff and derived and total base

1 salaries for certificated instructional staff as developed by the
 2 legislative evaluation and accountability program committee on March
 3 31, 2003, at 09:06 hours.

4 (3) Incremental fringe benefit factors shall be applied to salary
 5 adjustments at a rate of 8.67 percent for school years 2003-04 and
 6 2004-05 for certificated staff and 9.03 percent for school years 2003-
 7 04 and 2004-05 for classified staff.

8 (4)(a) Pursuant to RCW 28A.150.410, the following statewide salary
 9 allocation schedules for certificated instructional staff are
 10 established for basic education salary allocations:

11 K-12 Salary Allocation Schedule For Certificated Instructional Staff

12 2003-04 School Year

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

33 K-12 Salary Allocation Schedule For Certificated Instructional Staff

34 2004-05 School Year

35 Years of MA+90

| 1 | Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | or PHD |
|----|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2 | | | | | | | | | | |
| 3 | 0 | 30,023 | 30,834 | 31,674 | 32,516 | 35,218 | 36,958 | 35,995 | 38,697 | 40,439 |
| 4 | 1 | 30,427 | 31,249 | 32,100 | 32,979 | 35,709 | 37,440 | 36,395 | 39,125 | 40,855 |
| 5 | 2 | 30,812 | 31,642 | 32,502 | 33,449 | 36,171 | 37,920 | 36,798 | 39,520 | 41,269 |
| 6 | 3 | 31,209 | 32,047 | 32,916 | 33,893 | 36,610 | 38,401 | 37,180 | 39,895 | 41,687 |
| 7 | 4 | 31,598 | 32,473 | 33,347 | 34,358 | 37,091 | 38,895 | 37,580 | 40,313 | 42,118 |
| 8 | 5 | 32,000 | 32,879 | 33,762 | 34,829 | 37,552 | 39,392 | 37,987 | 40,711 | 42,551 |
| 9 | 6 | 32,413 | 33,273 | 34,186 | 35,306 | 38,016 | 39,866 | 38,404 | 41,114 | 42,963 |
| 10 | 7 | 33,139 | 34,012 | 34,937 | 36,118 | 38,868 | 40,769 | 39,185 | 41,934 | 43,836 |
| 11 | 8 | 34,202 | 35,122 | 36,069 | 37,348 | 40,135 | 42,106 | 40,414 | 43,202 | 45,172 |
| 12 | 9 | | 36,272 | 37,266 | 38,591 | 41,443 | 43,481 | 41,656 | 44,510 | 46,548 |
| 13 | 10 | | | 38,477 | 39,898 | 42,788 | 44,894 | 42,964 | 45,855 | 47,960 |
| 14 | 11 | | | | 41,243 | 44,196 | 46,344 | 44,309 | 47,263 | 49,410 |
| 15 | 12 | | | | 42,545 | 45,642 | 47,854 | 45,707 | 48,708 | 50,921 |
| 16 | 13 | | | | | 47,123 | 49,401 | 47,154 | 50,189 | 52,467 |
| 17 | 14 | | | | | 48,611 | 51,006 | 48,644 | 51,775 | 54,073 |
| 18 | 15 | | | | | 49,876 | 52,333 | 49,908 | 53,121 | 55,479 |
| 19 | 16 or More | | | | | 50,873 | 53,379 | 50,906 | 54,183 | 56,588 |

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

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

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

30 (5) For the purposes of this section:

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

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

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

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

36 (e) "Credits" means college quarter hour credits and equivalent in-
37 service credits computed in accordance with RCW 28A.415.020 and
38 28A.415.023.

1 (6) No more than ninety college quarter-hour credits received by
2 any employee after the baccalaureate degree may be used to determine
3 compensation allocations under the state salary allocation schedule and
4 LEAP documents referenced in this act, or any replacement schedules and
5 documents, unless:

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

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

9 (7) The certificated instructional staff base salary specified for
10 each district in LEAP Document 12E and the salary schedules in
11 subsection (4)(a) of this section include two learning improvement
12 days. A school district is eligible for the learning improvement day
13 funds for school years 2003-04 and 2004-05, only if two learning
14 improvement days have been added to the 180-day contract year. If
15 fewer than two days are added, the additional learning improvement
16 allocation shall be adjusted accordingly. The additional days shall be
17 for activities related to improving student learning consistent with
18 education reform implementation, and shall not be considered part of
19 basic education. The length of a learning improvement day shall not be
20 less than the length of a full day under the base contract. The
21 superintendent of public instruction shall ensure that school districts
22 adhere to the intent and purposes of this subsection.

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

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

| | | |
|----|---|---------------|
| 28 | General Fund--State Appropriation (FY 2004) | \$25,586,000 |
| 29 | General Fund--State Appropriation (FY 2005) | \$104,073,000 |
| 30 | General Fund--Federal Appropriation | \$423,000 |
| 31 | TOTAL APPROPRIATION | \$130,082,000 |

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

34 (1) \$9,017,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$20,920,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to provide a salary adjustment for
37 state formula certificated instructional staff units in their first

1 seven years of service. Consistent with the statewide certificated
2 instructional staff salary allocation schedule in section 503 of this
3 act, sufficient funding is provided to increase the salary of
4 certificated instructional staff units in the 2003-04 school year and
5 the 2004-05 school year by the following percentages: Three percent
6 for certificated instructional staff in their first and second years of
7 service; two and one-half percent for certificated instructional staff
8 in their third year of service; one and one-half percent for
9 certificated instructional staff in their fourth year of service; one
10 percent for certificated instructional staff in their fifth year of
11 service; and one-half of a percent for certificated instructional staff
12 in their sixth and seventh years of service. These increases will take
13 effect September 1, 2003 and September 1, 2004.

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

27 (b) The appropriations include associated incremental fringe
28 benefit allocations at rates of 8.67 percent for school year 2003-04
29 and 8.67 percent for school year 2004-05 for certificated staff.
30 Increases for general apportionment (basic education) are based on the
31 salary allocation schedules and methodology in sections 502 and 503 of
32 this act. Increases for special education result from increases in
33 each district's basic education allocation per student. Increases for
34 educational service districts and institutional education programs are
35 determined by the superintendent of public instruction using the
36 methodology for general apportionment salaries and benefits in sections
37 502 and 503 of this act.

1 (2) \$5,424,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$12,258,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to provide a salary adjustment for
4 state formula classified staff units of one percent effective September
5 1, 2003, and another salary adjustment of one percent effective on
6 September 1, 2004.

7 (a) In order to receive funding provided in this subsection, school
8 districts shall certify to the office of superintendent of public
9 instruction that they will provide the percentage increases in the
10 amounts specified in this subsection. Funds provided in this
11 subsection shall be used exclusively for providing the percentage
12 increases specified in this subsection to classified staff units and
13 shall not be used to supplant any other state or local funding for
14 compensation for these staff.

15 (b) The appropriations include associated incremental fringe
16 benefit allocations at rates of 9.03 percent for the 2003-04 school
17 year and 9.03 percent for the 2004-05 school year for classified staff.
18 The appropriations in this section include the increased portion of
19 salaries and incremental fringe benefits for all relevant state-funded
20 school programs in this part V of this act. Increases for general
21 apportionment (basic education) are based on the salary allocation
22 schedules and methodology in sections 502 and 503 of this act.
23 Increases for special education result from increases in each
24 district's basic education allocation per student. Increases for
25 educational service districts and institutional education programs are
26 determined by the superintendent of public instruction using the
27 methodology for general apportionment salaries and benefits in sections
28 502 and 503 of this act.

29 (3) The appropriations in this section provide salary adjustments
30 and incremental fringe benefit allocations based on formula adjustments
31 as follows:

| | School Year | |
|---|-------------|---------|
| | 2003-04 | 2004-05 |
| Pupil Transportation (per weighted pupil mile) | \$0.22 | \$0.45 |
| Highly Capable (per formula student) | \$0.93 | \$1.88 |
| Transitional Bilingual Education (per eligible bilingual student) | \$2.45 | \$4.95 |

1 Learning Assistance (per entitlement unit) \$2.23 \$4.50

2 (4) \$83,251,000 is provided for adjustments to insurance benefit
3 allocations. The maintenance rate for insurance benefit allocations is
4 \$457.07 per month for the 2003-04 and 2004-05 school years. The
5 appropriations in this section provide for a rate increase to \$471.12
6 per month for the 2003-04 school year and \$542.48 per month for the
7 2004-05 school year at the following rates:

| | School Year | |
|--|-------------|---------|
| | 2003-04 | 2004-05 |
| 10 Pupil Transportation (per weighted pupil mile) | \$0.13 | \$0.78 |
| 11 Highly Capable (per formula student) | \$0.83 | \$5.26 |
| 12 Transitional Bilingual Education (per eligible bilingual student) | \$2.27 | \$13.83 |
| 13 Learning Assistance (per entitlement unit) | \$1.79 | \$10.87 |

14 (5) The rates specified in this section are subject to revision
15 each year by the legislature.

17 **NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC**
18 **INSTRUCTION--FOR PUPIL TRANSPORTATION**

| | |
|--|---------------|
| 19 General Fund--State Appropriation (FY 2004) | \$201,856,000 |
| 20 General Fund--State Appropriation (FY 2005) | \$210,555,000 |
| 21 TOTAL APPROPRIATION | \$412,411,000 |

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

24 (1) Each general fund fiscal year appropriation includes such funds
25 as are necessary to complete the school year ending in the fiscal year
26 and for prior fiscal year adjustments.

27 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
28 and a maximum of \$782,000 of the fiscal year 2005 appropriation may be
29 expended for regional transportation coordinators and related
30 activities. The transportation coordinators shall ensure that data
31 submitted by school districts for state transportation funding shall,
32 to the greatest extent practical, reflect the actual transportation
33 activity of each district.

1 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
2 fiscal year 2005 appropriation are provided solely for the
3 transportation of students enrolled in "choice" programs.
4 Transportation shall be limited to low-income students who are
5 transferring to "choice" programs solely for educational reasons.

6 (4) Allocations for transportation of students shall be based on
7 reimbursement rates of \$39.26 per weighted mile in the 2003-04 school
8 year and \$39.49 per weighted mile in the 2004-05 school year exclusive
9 of salary and benefit adjustments, if any, provided in section 504 of
10 this act. Allocations for transportation of students transported more
11 than one radius mile shall be based on weighted miles as determined by
12 superintendent of public instruction multiplied by the per mile
13 reimbursement rates for the school year pursuant to the formulas
14 adopted by the superintendent of public instruction. Allocations for
15 transportation of students living within one radius mile shall be based
16 on the number of enrolled students in grades kindergarten through five
17 living within one radius mile of their assigned school multiplied by
18 the per mile reimbursement rate for the school year multiplied by 1.29.

19 (5) Beginning in the 2003-04 school year, the office of
20 superintendent of public instruction shall provide reimbursement
21 funding to a school district only after the superintendent of public
22 instruction determines that the school bus was purchased from the list
23 established pursuant to RCW 28A.160.195(2) or a comparable competitive
24 bid process based on the lowest price quote based on similar bus
25 categories to those used to establish the list pursuant to RCW
26 28A.160.195. The competitive specifications shall meet federal motor
27 vehicle safety standards, minimum state specifications as established
28 by rule by the superintendent, and supported options as determined by
29 the superintendent in consultation with the regional transportation
30 coordinators of the educational service districts.

31 NEW SECTION. **Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS**

| | | |
|----|---|---------------|
| 33 | General Fund--State Appropriation (FY 2004) | \$3,100,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$3,100,000 |
| 35 | General Fund--Federal Appropriation | \$272,069,000 |
| 36 | TOTAL APPROPRIATION | \$278,269,000 |

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

3 (1) \$3,000,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$3,000,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided for state matching money for federal
6 child nutrition programs.

7 (2) \$100,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
9 provided for summer food programs for children in low-income areas.

10 NEW SECTION. **Sec. 507. FOR THE SUPERINTENDENT OF PUBLIC**
11 **INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS**

| | | |
|----|---|-----------------|
| 12 | General Fund--State Appropriation (FY 2004) | \$434,011,000 |
| 13 | General Fund--State Appropriation (FY 2005) | \$429,750,000 |
| 14 | General Fund--Federal Appropriation | \$409,783,000 |
| 15 | TOTAL APPROPRIATION | \$1,273,544,000 |

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

18 (1) Funding for special education programs is provided on an excess
19 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
20 that special education students as a class receive their full share of
21 the general apportionment allocation accruing through sections 502 and
22 504 of this act. To the extent a school district cannot provide an
23 appropriate education for special education students under chapter
24 28A.155 RCW through the general apportionment allocation, it shall
25 provide services through the special education excess cost allocation
26 funded in this section.

27 (2)(a) The superintendent of public instruction shall use the
28 excess cost methodology developed and implemented for the 2001-02
29 school year using the S-275 personnel reporting system and all related
30 accounting requirements to ensure that:

- 31 (i) Special education students are basic education students first;
- 32 (ii) As a class, special education students are entitled to the
- 33 full basic education allocation; and
- 34 (iii) Special education students are basic education students for
- 35 the entire school day.

36 (b) The S-275 and accounting changes in effect since the 2001-02

1 school year shall supercede any prior excess cost methodologies and
2 shall be required of all school districts.

3 (3) Each fiscal year appropriation includes such funds as are
4 necessary to complete the school year ending in the fiscal year and for
5 prior fiscal year adjustments.

6 (4) The superintendent of public instruction shall distribute state
7 and federal funds to school districts based on two categories: The
8 optional birth through age two program for special education eligible
9 developmentally delayed infants and toddlers, and the mandatory special
10 education program for special education eligible students ages three to
11 twenty-one. A "special education eligible student" means a student
12 receiving specially designed instruction in accordance with a properly
13 formulated individualized education program.

14 (5)(a) For the 2003-04 and 2004-05 school years, the superintendent
15 shall make allocations to each district based on the sum of:

16 (i) A district's annual average headcount enrollment of
17 developmentally delayed infants and toddlers ages birth through two,
18 multiplied by the district's average basic education allocation per
19 full-time equivalent student, multiplied by 1.15; and

20 (ii) A district's annual average full-time equivalent basic
21 education enrollment multiplied by the funded enrollment percent
22 determined pursuant to subsection (6)(b) of this section, multiplied by
23 the district's average basic education allocation per full-time
24 equivalent student multiplied by 0.9309.

25 (b) For purposes of this subsection, "average basic education
26 allocation per full-time equivalent student" for a district shall be
27 based on the staffing ratios required by RCW 28A.150.260 and shall not
28 include enhancements, secondary vocational education, or small schools.

29 (6) The definitions in this subsection apply throughout this
30 section.

31 (a) "Annual average full-time equivalent basic education
32 enrollment" means the resident enrollment including students enrolled
33 through choice (RCW 28A.225.225) and students from nonhigh districts
34 (RCW 28A.225.210) and excluding students residing in another district
35 enrolled as part of an interdistrict cooperative program (RCW
36 28A.225.250).

37 (b) "Enrollment percent" means the district's resident special
38 education annual average enrollment, excluding the birth through age

1 two enrollment, as a percent of the district's annual average full-time
2 equivalent basic education enrollment. For the 2003-04 and the 2004-05
3 school years, each district's general fund--state funded special
4 education enrollment shall be the lesser of the district's actual
5 enrollment percent or 12.7 percent. Increases in enrollment percent
6 from 12.7 percent to 13.0 percent shall be funded from the general
7 fund--federal appropriation.

8 (7) At the request of any interdistrict cooperative of at least 15
9 districts in which all excess cost services for special education
10 students of the districts are provided by the cooperative, the maximum
11 enrollment percent shall be calculated in accordance with subsection
12 (6)(b) of this section, and shall be calculated in the aggregate rather
13 than individual district units. For purposes of this subsection, the
14 average basic education allocation per full-time equivalent student
15 shall be calculated in the aggregate rather than individual district
16 units.

17 (8) To the extent necessary, \$25,746,000 of the general fund--
18 federal appropriation is provided for safety net awards for districts
19 with demonstrated needs for state special education funding beyond the
20 amounts provided in subsection (5) of this section. If safety net
21 awards exceed the amount appropriated in this subsection (8), the
22 superintendent shall expend all available federal discretionary funds
23 necessary to meet this need. Safety net funds shall be awarded by the
24 state safety net oversight committee subject to the following
25 conditions and limitations:

26 (a) The committee shall consider unmet needs for districts that can
27 convincingly demonstrate that all legitimate expenditures for special
28 education exceed all available revenues from state funding formulas.
29 In the determination of need, the committee shall also consider
30 additional available revenues from federal and local sources.
31 Differences in program costs attributable to district philosophy,
32 service delivery choice, or accounting practices are not a legitimate
33 basis for safety net awards.

34 (b) The committee shall then consider the extraordinary high cost
35 needs of one or more individual special education students.
36 Differences in costs attributable to district philosophy, service
37 delivery choice, or accounting practices are not a legitimate basis for
38 safety net awards.

1 (c) The maximum allowable indirect cost for calculating safety net
2 eligibility may not exceed the federal restricted indirect cost rate
3 for the district plus one percent.

4 (d) Safety net awards shall be adjusted based on the percent of
5 potential medicaid eligible students billed as calculated by the
6 superintendent in accordance with chapter 318, Laws of 1999.

7 (e) Safety net awards must be adjusted for any audit findings or
8 exceptions related to special education funding.

9 (f) The superintendent may expend up to \$120,000 per year of the
10 amount provided from the general fund--federal appropriation in this
11 subsection (8) to provide staff assistance to the committee in
12 analyzing applications for safety net funds received by the committee.

13 (9) The superintendent of public instruction may adopt such rules
14 and procedures as are necessary to administer the special education
15 funding and safety net award process. Prior to revising any standards,
16 procedures, or rules, the superintendent shall consult with the office
17 of financial management and the fiscal committees of the legislature.

18 (10) The safety net oversight committee appointed by the
19 superintendent of public instruction shall consist of:

20 (a) One staff from the office of superintendent of public
21 instruction;

22 (b) Staff of the office of the state auditor; and

23 (c) One or more representatives from school districts or
24 educational service districts knowledgeable of special education
25 programs and funding.

26 (11) A maximum of \$678,000 may be expended from the general fund--
27 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
28 full-time equivalent aides at children's orthopedic hospital and
29 medical center. This amount is in lieu of money provided through the
30 home and hospital allocation and the special education program.

31 (12) \$1,000,000 of the general fund--federal appropriation is
32 provided for projects to provide special education students with
33 appropriate job and independent living skills, including work
34 experience where possible, to facilitate their successful transition
35 out of the public school system. The funds provided by this subsection
36 shall be from federal discretionary grants.

37 (13) The superintendent shall maintain the percentage of federal
38 flow-through to school districts at 85 percent. In addition to other

1 purposes, school districts may use increased federal funds for high-
2 cost students, for purchasing regional special education services from
3 educational service districts, and for staff development activities
4 particularly relating to inclusion issues.

5 (14) A maximum of \$1,200,000 of the general fund--federal
6 appropriation may be expended by the superintendent for projects
7 related to use of inclusion strategies by school districts for
8 provision of special education services. The superintendent shall
9 prepare an information database on laws, best practices, examples of
10 programs, and recommended resources. The information may be
11 disseminated in a variety of ways, including workshops and other staff
12 development activities.

13 (15) A school district may carry over from one year to the next
14 year up to 10 percent of general fund--state funds allocated under this
15 program; however, carry over funds shall be expended in the special
16 education program.

17 NEW SECTION. **Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC**
18 **INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS**

| | | |
|----|---|-------------|
| 19 | General Fund--State Appropriation (FY 2004) | \$3,032,000 |
| 20 | General Fund--State Appropriation (FY 2005) | \$3,032,000 |
| 21 | TOTAL APPROPRIATION | \$6,064,000 |

22 The appropriations in this section are subject to the following
23 conditions and limitations: The educational service districts shall
24 continue to furnish financial services required by the superintendent
25 of public instruction and RCW 28A.310.190 (3) and (4).

26 NEW SECTION. **Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC**
27 **INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE**

| | | |
|----|---|---------------|
| 28 | General Fund--State Appropriation (FY 2004) | \$162,236,000 |
| 29 | General Fund--State Appropriation (FY 2005) | \$167,073,000 |
| 30 | TOTAL APPROPRIATION | \$329,309,000 |

31 NEW SECTION. **Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS**

| | | |
|----|---|--------------|
| 33 | General Fund--State Appropriation (FY 2004) | \$18,563,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$19,040,000 |
| 35 | TOTAL APPROPRIATION | \$37,603,000 |

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

3 (1) Each general fund--state fiscal year appropriation includes
4 such funds as are necessary to complete the school year ending in the
5 fiscal year and for prior fiscal year adjustments.

6 (2) State funding provided under this section is based on salaries
7 and other expenditures for a 220-day school year. The superintendent
8 of public instruction shall monitor school district expenditure plans
9 for institutional education programs to ensure that districts plan for
10 a full-time summer program.

11 (3) State funding for each institutional education program shall be
12 based on the institution's annual average full-time equivalent student
13 enrollment. Staffing ratios for each category of institution shall
14 remain the same as those funded in the 1995-97 biennium.

15 (4) The funded staffing ratios for education programs for juveniles
16 age 18 or less in department of corrections facilities shall be the
17 same as those provided in the 1997-99 biennium.

18 (5) \$279,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$286,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely to maintain at least one
21 certificated instructional staff and related support services at an
22 institution whenever the K-12 enrollment is not sufficient to support
23 one full-time equivalent certificated instructional staff to furnish
24 the educational program. The following types of institutions are
25 included: Residential programs under the department of social and
26 health services for developmentally disabled juveniles, programs for
27 juveniles under the department of corrections, and programs for
28 juveniles under the juvenile rehabilitation administration.

29 (6) Ten percent of the funds allocated for each institution may be
30 carried over from one year to the next.

31 **NEW SECTION. Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

| | | |
|----|---|--------------|
| 33 | General Fund--State Appropriation (FY 2004) | \$5,853,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$5,706,000 |
| 35 | TOTAL APPROPRIATION | \$11,559,000 |

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of \$334.07 per funded student for the 2003-04 school year and \$334.07 per funded student for the 2004-05 school year, exclusive of salary and benefit adjustments, if any, pursuant to section 504 of this act. The number of funded students shall be a maximum of 1.75 percent of each district's full-time equivalent basic education enrollment.

(3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of the fiscal year 2005 appropriation are provided for the centrum program at Fort Worden state park.

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation \$46,198,000

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2004) \$35,919,000
General Fund--State Appropriation (FY 2005) \$34,398,000
General Fund--Federal Appropriation \$128,402,000
TOTAL APPROPRIATION \$198,719,000

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

(1) \$295,000 of the general fund--state appropriation for fiscal year 2004 and \$295,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the academic achievement and accountability commission.

(2) \$15,119,000 of the general fund--state appropriation for fiscal year 2004, \$12,916,000 of the general fund--state appropriation for fiscal year 2005, and \$15,455,000 of the general fund--federal appropriation are provided for development and implementation of the Washington assessments of student learning. Up to \$689,000 of the appropriation may be expended for data analysis and data management of test results.

1 (3) \$274,000 of the fiscal year 2004 general fund--state
2 appropriation and \$274,000 of the fiscal year 2005 general fund--state
3 appropriation are provided solely for training of paraprofessional
4 classroom assistants and certificated staff who work with classroom
5 assistants as provided in RCW 28A.415.310.

6 (4) \$2,348,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$2,348,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for mentor teacher assistance,
9 including state support activities, under RCW 28A.415.250 and
10 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
11 this subsection may be used each fiscal year to operate a mentor
12 academy to help districts provide effective training for peer mentors.
13 Funds for the teacher assistance program shall be allocated to school
14 districts based on the number of first year beginning teachers.

15 (a) A teacher assistance program is a program that provides to a
16 first year beginning teacher peer mentor services that include but are
17 not limited to:

18 (i) An orientation process and individualized assistance to help
19 beginning teachers who have been hired prior to the start of the school
20 year prepare for the start of a school year;

21 (ii) The assignment of a peer mentor whose responsibilities to the
22 beginning teacher include but are not limited to constructive feedback,
23 the modeling of instructional strategies, and frequent meetings and
24 other forms of contact;

25 (iii) The provision by peer mentors of strategies, training, and
26 guidance in critical areas such as classroom management, student
27 discipline, curriculum management, instructional skill, assessment,
28 communication skills, and professional conduct. A district may provide
29 these components through a variety of means including one-on-one
30 contact and workshops offered by peer mentors to groups, including
31 cohort groups, of beginning teachers;

32 (iv) The provision of release time, substitutes, mentor training in
33 observation techniques, and other measures for both peer mentors and
34 beginning teachers, to allow each an adequate amount of time to observe
35 the other and to provide the classroom experience that each needs to
36 work together effectively;

37 (v) Assistance in the incorporation of the essential academic
38 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 for improving technology infrastructure,
26 monitoring and reporting on school district technology development,
27 promoting standards for school district technology, promoting statewide
28 coordination and planning for technology development, and providing
29 regional educational technology support centers, including state
30 support activities, under chapter 28A.650 RCW. The superintendent of
31 public instruction shall coordinate a process to facilitate the
32 evaluation and provision of online curriculum courses to school
33 districts which includes the following: Creation of a general listing
34 of the types of available online curriculum courses; a survey conducted
35 by each regional educational technology support center of school
36 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) \$2,500,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,500,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the meals for kids program
7 under RCW 28A.235.145 through 28A.235.155.

8 (7) \$705,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$705,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the leadership internship
11 program for superintendents, principals, and program administrators.

12 (8) \$1,764,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,764,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the mathematics helping corps
15 subject to the following conditions and limitations:

16 (a) In order to increase the availability and quality of technical
17 mathematics assistance statewide, the superintendent of public
18 instruction shall employ mathematics school improvement specialists to
19 provide assistance to schools and districts. The specialists shall be
20 hired by and work under the direction of a statewide school improvement
21 coordinator. The mathematics improvement specialists shall not be
22 permanent employees of the superintendent of public instruction.

23 (b) The school improvement specialists shall provide the following:

24 (i) Assistance to schools to disaggregate student performance data
25 and develop improvement plans based on those data;

26 (ii) Consultation with schools and districts concerning their
27 performance on the Washington assessment of student learning and other
28 assessments emphasizing the performance on the mathematics assessments;

29 (iii) Consultation concerning curricula that aligns with the
30 essential academic learning requirements emphasizing the academic
31 learning requirements for mathematics, the Washington assessment of
32 student learning, and meets the needs of diverse learners;

33 (iv) Assistance in the identification and implementation of
34 research-based instructional practices in mathematics;

35 (v) Staff training that emphasizes effective instructional
36 strategies and classroom-based assessment for mathematics;

37 (vi) Assistance in developing and implementing family and community
38 involvement programs emphasizing mathematics; and

1 (vii) Other assistance to schools and school districts intended to
2 improve student mathematics learning.

3 (9) \$3,713,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$3,713,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for the Washington reading corps
6 subject to the following conditions and limitations:

7 (a) Grants shall be allocated to schools and school districts to
8 implement proven, research-based mentoring and tutoring programs in
9 reading that may include research-based reading skills development
10 software for low-performing students in grades K-6. If the grant is
11 made to a school district, the principals of schools enrolling targeted
12 students shall be consulted concerning design and implementation of the
13 program.

14 (b) The programs may be implemented before, after, or during the
15 regular school day, or on Saturdays, summer, intercessions, or other
16 vacation periods.

17 (c) Two or more schools may combine their Washington reading corps
18 programs.

19 (d) A program is eligible for a grant if it meets the following
20 conditions:

21 (i) The program employs methods of teaching and student learning
22 based on reliable reading/literacy research and effective practices;

23 (ii) The program design is comprehensive and includes instruction,
24 on-going student assessment, professional development,
25 parental/community involvement, and program management aligned with the
26 school's reading curriculum;

27 (iii) It provides quality professional development and training for
28 teachers, staff, and volunteer mentors and tutors;

29 (iv) It has measurable goals for student reading aligned with the
30 essential academic learning requirements;

31 (v) It contains an evaluation component to determine the
32 effectiveness of the program; and

33 (vi) The program may include a software-based solution to increase
34 the student/tutor ratio to a minimum of 5:1. The selected software
35 program shall be scientifically research-based.

36 (e) Funding priority shall be given to low-performing schools.

37 (f) Beginning and end-of-program testing data shall be available to
38 determine the effectiveness of funded programs and practices. Common

1 evaluative criteria across programs, such as grade-level improvements
2 shall be available for each reading corps program. The superintendent
3 of public instruction shall provide program evaluations to the governor
4 and the appropriate committees of the legislature. Administrative and
5 evaluation costs may be assessed from the annual appropriation for the
6 program.

7 (g) Grants provided under this section may be used by schools and
8 school districts for expenditures from July 2003 through August 31,
9 2005.

10 (10) \$1,487,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$2,169,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for salary bonuses for teachers
13 who attain certification by the national board for professional
14 teaching standards subject to the following conditions and limitations:

15 (a) Teachers who have attained certification by the national board
16 in the 2000-01 school year, 2001-02 school year, 2002-03 school year,
17 2003-04 school year, or 2004-05 school year shall receive an annual
18 bonus not to exceed \$3,500.

19 (b) The annual bonus shall be paid in a lump sum amount and shall
20 not be included in the definition of "earnable compensation" under RCW
21 41.32.010(10).

22 (c) It is the intent of the legislature that teachers achieving
23 certification by the national board of professional teaching standards
24 will receive no more than four annual bonus payments for attaining
25 certification by the national board.

26 (11) \$70,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$70,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the second grade reading test.
29 The funds shall be expended for assessment training for new second
30 grade teachers and replacement of assessment materials.

31 (12) A maximum of \$220,000 of the general fund--state appropriation
32 for fiscal year 2004 and a maximum of \$220,000 of the general fund--
33 state appropriation for fiscal year 2005 are provided for the
34 superintendent to assist schools in implementing high academic
35 standards, aligning curriculum with these standards, and training
36 teachers to use assessments to improve student learning. Funds may
37 also be used to increase community and parental awareness of education
38 reform.

1 (13) \$126,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$126,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided for the development and posting of web-
4 based instructional tools, assessment data, and other information that
5 assists schools and teachers implementing higher academic standards.

6 (14) \$1,746,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$1,746,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely to the office of the
9 superintendent of public instruction for focused assistance to schools.
10 The office of the superintendent of public instruction shall conduct
11 educational audits of low-performing schools and enter into performance
12 agreements between school districts and the office to implement the
13 recommendations of the audit and the community. Of the amounts
14 provided, \$350,000 of the fiscal year 2004 appropriation and \$350,000
15 of the fiscal year 2005 appropriation are provided to the office of the
16 superintendent of public instruction for the administrative duties
17 arising under this subsection. Each educational audit shall include
18 recommendations for best practices and ways to address identified needs
19 and shall be presented to the community in a public meeting to seek
20 input on ways to implement the audit and its recommendations.

21 (15) \$87,901,000 of the general fund--federal appropriation is
22 provided for preparing, training, and recruiting high quality teachers
23 and principals under Title II of the elementary and secondary education
24 act. To extent allowed under federal rules and regulations, the funds
25 provided in this subsection may also be used for training and
26 professional development activities of paraprofessional classroom
27 assistants and certificated staff who work with classroom assistants.

28 (16) \$25,046,000 of the general fund--federal appropriation is
29 provided for the reading first program under Title I of the elementary
30 and secondary education act.

31 (17) \$3,594,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$3,594,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided for grants to school districts to provide
34 a continuum of care for children and families to help children become
35 ready to learn. Grant proposals from school districts shall contain
36 local plans designed collaboratively with community service providers.
37 If a continuum of care program exists in the area in which the school

1 district is located, the local plan shall provide for coordination with
2 existing programs to the greatest extent possible. Grant funds shall
3 be allocated pursuant to RCW 70.190.040.

4 NEW SECTION. **Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC**
5 **INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

| | | |
|---|---|---------------|
| 6 | General Fund--State Appropriation (FY 2004) | \$49,669,000 |
| 7 | General Fund--State Appropriation (FY 2005) | \$51,905,000 |
| 8 | General Fund--Federal Appropriation | \$46,309,000 |
| 9 | TOTAL APPROPRIATION | \$147,883,000 |

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

12 (1) Each general fund fiscal year appropriation includes such funds
13 as are necessary to complete the school year ending in the fiscal year
14 and for prior fiscal year adjustments.

15 (2) The superintendent shall distribute a maximum of \$722.91 per
16 eligible bilingual student in the 2003-04 school year and \$722.91 in
17 the 2004-05 school year, exclusive of salary and benefit adjustments,
18 if any, provided in section 504 of this act.

19 (3) The superintendent may withhold up to \$700,000 in school year
20 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
21 eligible pupil rates in subsection (2) of this section accordingly, for
22 the central provision of assessments as provided in RCW 28A.180.090 (1)
23 and (2).

24 (4) \$70,000 of the amounts appropriated in this section is provided
25 solely to develop a system for the tracking of current and former
26 transitional bilingual program students.

27 (5) The general fund--federal appropriation in this section is
28 provided for migrant education under Title I, Part C and English
29 language acquisition and language enhancement grants under Title III of
30 the elementary and secondary education act.

31 NEW SECTION. **Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

| | | |
|----|---|---------------|
| 33 | General Fund--State Appropriation (FY 2004) | \$65,365,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$64,027,000 |
| 35 | General Fund--Federal Appropriation | \$307,178,000 |
| 36 | TOTAL APPROPRIATION | \$436,570,000 |

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

3 (1) The general fund--state appropriations in this section are
4 subject to the following conditions and limitations:

5 (a) Each general fund--state fiscal year appropriation includes
6 such funds as are necessary to complete the school year ending in the
7 fiscal year and for prior fiscal year adjustments.

8 (b) Funding for school district learning assistance programs shall
9 be allocated at maximum rates of \$431.99 per funded unit for the 2003-
10 04 school year and \$432.87 per funded unit for the 2004-05 school year
11 exclusive of salary and benefit adjustments provided under section 504
12 of this act.

13 (c) For purposes of this section, "test results" refers to the
14 district results from the norm-referenced test administered in the
15 specified grade level. The norm-referenced test results used for the
16 third and sixth grade calculations shall be consistent with the third
17 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

18 (d) A school district's general fund--state funded units for the
19 2003-04 and 2004-05 school years shall be the sum of the following:

20 (i) The district's full-time equivalent enrollment in grades K-6,
21 multiplied by the 5-year average 4th grade lowest quartile test results
22 as adjusted for funding purposes in the school years prior to
23 1999-2000, multiplied by 0.82. As the 3rd grade test becomes
24 available, it shall be phased into the 5-year average on a 1-year lag;

25 (ii) The district's full-time equivalent enrollment in grades 7-9,
26 multiplied by the 5-year average 8th grade lowest quartile test results
27 as adjusted for funding purposes in the school years prior to
28 1999-2000, multiplied by 0.82. As the 6th grade test becomes
29 available, it shall be phased into the 5-year average for these grades
30 on a 1-year lag; and

31 (iii) The district's full-time equivalent enrollment in grades
32 10-11 multiplied by the 5-year average 11th grade lowest quartile test
33 results, multiplied by 0.82. As the 9th grade test becomes available,
34 it shall be phased into the 5-year average for these grades on a 1-year
35 lag; and

36 (iv) If, in the prior school year, the district's percentage of
37 October headcount enrollment in grades K-12 eligible for free and
38 reduced price lunch exceeded the state average, subtract the state

1 average percentage of students eligible for free and reduced price
2 lunch from the district's percentage and multiply the result by the
3 district's K-12 annual average full-time equivalent enrollment for the
4 current school year multiplied by 22.3 percent.

5 (e) In addition to amounts allocated under (d) of this subsection,
6 for school districts in which the effective Title I Part A (basic
7 program) increase is insufficient to cover the formula change in the
8 multiplier from .92 to .82, a state allocation shall be provided that,
9 when combined with the effective increase in federal Title I Part A
10 (basic program) funds from the 2001-02 school year, is sufficient to
11 cover this amount. The effective Title I Part A (basic program)
12 increase is the current school year federal Title I Part A (basic
13 program) allocation minus the 2001-02 school year federal Title I Part
14 A (basic program) allocation, after the 2001-02 Title I Part A
15 allocation has been inflated by three percent.

16 (2) The general fund--federal appropriation in this section is
17 provided for Title I Part A allocations of the no child left behind act
18 of 2001.

19 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
20 **INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM**

| | | |
|----|---|-----------------|
| 21 | Student Achievement Fund--State Appropriation (FY 2004) | . \$210,848,000 |
| 22 | Student Achievement Fund--State Appropriation (FY 2005) | . \$243,851,000 |
| 23 | TOTAL APPROPRIATION | \$454,699,000 |

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

26 (1) The appropriation is allocated for the following uses as
27 specified in RCW 28A.505.210:

28 (a) To reduce class size by hiring certificated elementary
29 classroom teachers in grades K-4 and paying nonemployee-related costs
30 associated with those new teachers;

31 (b) To make selected reductions in class size in grades 5-12, such
32 as small high school writing classes;

33 (c) To provide extended learning opportunities to improve student
34 academic achievement in grades K-12, including, but not limited to,
35 extended school year, extended school day, before-and-after-school
36 programs, special tutoring programs, weekend school programs, summer
37 school, and all-day kindergarten;

1 (d) To provide additional professional development for educators
2 including additional paid time for curriculum and lesson redesign and
3 alignment, training to ensure that instruction is aligned with state
4 standards and student needs, reimbursement for higher education costs
5 related to enhancing teaching skills and knowledge, and mentoring
6 programs to match teachers with skilled, master teachers. The funding
7 shall not be used for salary increases or additional compensation for
8 existing teaching duties, but may be used for extended year and extend
9 day teaching contracts;

10 (e) To provide early assistance for children who need
11 prekindergarten support in order to be successful in school; or

12 (f) To provide improvements or additions to school building
13 facilities which are directly related to the class size reductions and
14 extended learning opportunities under (a) through (c) of this
15 subsection.

16 (2) Funding for school district student achievement programs shall
17 be allocated at a maximum rate of \$219.72 per FTE student for the 2003-
18 04 school year and \$254.00 per FTE student for the 2004-05 school year.
19 For the purposes of this section and in accordance with RCW 84.52.068,
20 FTE student refers to the annual average full-time equivalent
21 enrollment of the school district in grades kindergarten through twelve
22 for the prior school year.

23 (3) The office of the superintendent of public instruction shall
24 distribute ten percent of the annual allocation to districts each month
25 for the months of September through June.

26 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
27 **ADJUSTMENTS.** State general fund appropriations provided to the
28 superintendent of public instruction for state entitlement programs in
29 the public schools in this part V of this act may be expended as needed
30 by the superintendent for adjustments to apportionment for prior fiscal
31 periods. Recoveries of state general fund moneys from school districts
32 and educational service districts for a prior fiscal period shall be
33 made as reductions in apportionment payments for the current fiscal
34 period and shall be shown as prior year adjustments on apportionment
35 reports for the current period. Such recoveries shall not be treated
36 as revenues to the state, but as a reduction in the amount expended
37 against the appropriation for the current fiscal period.

1 NEW SECTION. **Sec. 518. FOR THE STATE BOARD OF EDUCATION**

2 Education Savings Account--State Appropriation \$27,000,000
3 Education Construction Account--State Appropriation . . . \$120,165,000
4 TOTAL APPROPRIATION \$147,165,000

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

7 (1) \$13,500,000 in fiscal year 2004 and \$13,500,000 in fiscal year
8 2005 of the education savings account appropriation shall be deposited
9 in the common school construction account.

10 (2) \$120,165,000 of the education construction account
11 appropriation shall be deposited in the common school construction
12 account.

(End of part)

PART VI
HIGHER EDUCATION

NEW SECTION. **Sec. 601.** The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 603 through 609 of this act.

(2)(a) The salary increases provided or referenced in this subsection shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

(b) For employees under the jurisdiction of chapter 41.56 RCW pursuant to provisions of RCW 28B.16.015 and 28B.50.874(1), salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(c) Each institution of higher education receiving appropriations under sections 604 through 609 of this act may provide salary increases from other sources to instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any salary increase granted under the authority of this subsection (2)(c) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that general fund--state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(c) or under rights granted to award additional compensation with local, nonstate funds under RCW 41.56.203 or chapter 41.76 RCW.

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 colleges and universities for the
14 2003-04 and 2004-05 academic years, other than the summer term, shall
15 be increased or decreased by the governing boards of the state
16 universities, regional universities, The Evergreen State College, and
17 the state board for community and technical colleges. Tuition fees may
18 be increased in 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 nine 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 nine 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 duration of the 2003-05 biennium, the legislature
2 hereby lowers the limit on total gross authorized operating fees
3 revenue waived, exempted, or reduced by state institutions of higher
4 education pursuant to RCW 28B.15.910 as follows:

- 5 (a) University of Washington, 18.9 percent
- 6 (b) Washington State University, 18.0 percent
- 7 (c) Eastern Washington University, 9.9 percent
- 8 (d) Central Washington University, 7.2 percent
- 9 (e) Western Washington University, 9.0 percent
- 10 (f) The Evergreen State College, 5.4 percent
- 11 (g) Community colleges as a whole, 34 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) Pursuant to RCW 43.135.055, institutions of higher education
19 receiving appropriations under sections 603 through 609 of this act are
20 authorized to increase summer term tuition in excess of the fiscal
21 growth factor during the 2003-05 biennium. Tuition levels increased
22 pursuant to this subsection shall not exceed the per credit hour rate
23 calculated from the academic year tuition levels adopted under this
24 act.

25 (8) Community colleges may increase services and activities fee
26 charges in excess of the fiscal growth factor up to the maximum level
27 authorized by the state board for community and technical colleges.

28 (9) Each institution receiving appropriations under sections 604
29 through 609 of this act shall submit a biennial plan to achieve
30 measurable and specific improvements each academic year as part of a
31 continuing effort to make meaningful and substantial progress towards
32 the achievement of long-term performance goals. The plans, to be
33 prepared at the direction of the higher education coordinating board,
34 shall be submitted by August 15, 2003. The higher education
35 coordinating board shall set biennial performance targets for each
36 institution and shall review actual achievements annually.
37 Institutions shall track their actual performance on the statewide
38 measures as well as faculty productivity, the goals and targets for

1 which may be unique to each institution. A report on progress towards
2 statewide and institution-specific goals, with recommendations for the
3 ensuing biennium, shall be submitted to the fiscal and higher education
4 committees of the legislature by November 15, 2005.

5 (10) The state board for community and technical colleges shall
6 develop a biennial plan to achieve measurable and specific improvements
7 each academic year as part of a continuing effort to make meaningful
8 and substantial progress to achieve long-term performance goals. The
9 board shall set biennial performance targets for each college or
10 district, where appropriate, and shall review actual achievements
11 annually. Colleges shall track their actual performance on the
12 statewide measures. A report on progress towards the statewide goals,
13 with recommendations for the ensuing biennium, shall be submitted to
14 the fiscal and higher education committees of the legislature by
15 November 15, 2005.

16 (11) The general fund--state appropriations in sections 603 through
17 609 of this act represent reductions in current funding levels. In
18 order to provide each institution of higher education with the
19 capability of effectively managing their unique requirements,
20 flexibility in implementing these reductions is permitted. This will
21 assure the continuation of the highest quality higher education system
22 possible within available resources.

23 NEW SECTION. **Sec. 602.** The appropriations in sections 603 through
24 610 of this act provide state general fund support for full-time
25 equivalent student enrollments at each institution of higher education.
26 It is the intent of the legislature that institutions of higher
27 education should adjust their actual enrollment levels to reflect a
28 sustainable alignment with state funding levels. Listed below are the
29 annual full-time equivalent student enrollments by institutions or
30 agency as assumed in this act.

| | 2003-04 | 2004-05 |
|----|--------------------------|---------|
| | Annual | Annual |
| | Average | Average |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | University of Washington | |
| 35 | | |

| | | | |
|----|--|---------|---------|
| 1 | Main campus | 32,427 | 32,427 |
| 2 | Bothell branch | 1,235 | 1,235 |
| 3 | Tacoma branch | 1,484 | 1,484 |
| 4 | | | |
| 5 | Washington State University | | |
| 6 | | | |
| 7 | Main campus | 17,348 | 17,364 |
| 8 | Spokane branch | 593 | 593 |
| 9 | Tri-Cities branch | 616 | 616 |
| 10 | Vancouver branch | 1,153 | 1,153 |
| 11 | | | |
| 12 | Central Washington University | 7,604 | 7,604 |
| 13 | Eastern Washington University | 8,017 | 8,017 |
| 14 | The Evergreen State College | 3,837 | 3,837 |
| 15 | Western Washington University | 11,126 | 11,126 |
| 16 | State Board for Community and Technical Colleges | 126,290 | 126,290 |
| 17 | Higher Education Coordinating Board | 0 | 1,050 |

18 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**
19 **TECHNICAL COLLEGES**

| | | |
|----|---|---------------|
| 20 | General Fund--State Appropriation (FY 2004) | \$495,996,000 |
| 21 | General Fund--State Appropriation (FY 2005) | \$493,198,000 |
| 22 | Administrative Contingency Account--State | |
| 23 | Appropriation | \$4,400,000 |
| 24 | TOTAL APPROPRIATION | \$993,594,000 |

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

27 (1) The technical colleges may increase tuition and fees in excess
28 of the fiscal growth factor to conform with the percentage increase in
29 community college operating fees.

30 (2) \$495,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,005,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely to increase salaries and related
33 benefits for part-time faculty. The board shall report by January 30
34 of each fiscal year to the office of financial management and
35 legislative fiscal and higher education committees on (a) the
36 distribution of state funds; (b) wage adjustments for part-time

1 faculty; and (c) progress to achieve the long-term performance targets
2 for each district, with respect to use of part-time faculty, pursuant
3 to the faculty mix study conducted under section 603, chapter 309, Laws
4 of 1999.

5 (3) \$1,155,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$2,345,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for faculty salary increments and
8 associated benefits and may be used in combination with salary and
9 benefit savings from faculty turnover to provide salary increments and
10 associated benefits.

11 (4) \$1,000,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$1,000,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided for a program to fund the start-up of new
14 community and technical college programs in rural counties as defined
15 under RCW 43.160.020(12) and in communities impacted by business
16 closures and job reductions. Successful proposals must respond to
17 local economic development strategies and must include a plan to
18 continue programs developed with this funding.

19 (5) \$675,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$675,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for allocation to Clark Community
22 College and Lower Columbia Community College to prepare a total of 168
23 full-time equivalent students for transfer to the engineering and
24 science institute at the Vancouver branch campus of Washington State
25 University. The appropriations in this section are intended to
26 supplement, not supplant, general enrollment allocations by the board
27 to districts named in this subsection.

28 (6) \$640,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$640,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for allocation to twelve college
31 districts identified in (a) through (l) of this subsection to prepare
32 students for transfer to the state technology institute at the Tacoma
33 branch campus of the University of Washington. The appropriations in
34 this section are intended to supplement, not supplant, general
35 enrollment allocations by the board to the districts under (a) through
36 (l) of this subsection:

- 37 (a) Bates Technical College;
- 38 (b) Bellevue Community College;

- 1 (c) Centralia Community College;
- 2 (d) Clover Park Community College;
- 3 (e) Grays Harbor Community College;
- 4 (f) Green River Community College;
- 5 (g) Highline Community College;
- 6 (h) Tacoma Community College;
- 7 (i) Olympic Community College;
- 8 (j) Pierce District;
- 9 (k) Seattle District; and
- 10 (l) South Puget Sound Community College.

11 (7) \$28,761,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$28,761,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely as special funds for training and
14 related support services, including financial aid, as specified in
15 chapter 226, Laws of 1993 (employment and training for unemployed
16 workers). Funding is provided to support up to 6,200 full-time
17 equivalent students in each fiscal year.

18 (8) \$1,000,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$1,000,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for tuition support for students
21 enrolled in work-based learning programs.

22 (9) \$4,150,000 of the administrative contingency account--state
23 appropriation is provided solely for administration and customized
24 training contracts through the job skills program, which shall be made
25 available broadly and not to the exclusion of private nonprofit
26 baccalaureate degree granting institutions or vocational arts career
27 schools operating in Washington state who partner with a firm,
28 hospital, group, or industry association concerned with commerce,
29 trade, manufacturing, or the provision of services to train current or
30 prospective employees. The state board shall make an annual report to
31 the governor and appropriate policy and fiscal committees of the
32 legislature regarding the implementation of this section listing the
33 scope of grant awards, the distribution of funds by educational sector
34 and region of the state, as well as successful partnerships being
35 supported by these state funds.

36 (10) \$250,000 of the administrative contingency account--state
37 appropriation is provided solely and on a one-time basis to start up a
38 college district consortium organized under the name "alliance for

1 corporate education." Financial operations shall be self-sustaining by
2 no later than June 30, 2005, after which time any amount remaining
3 unexpended from this amount shall lapse.

4 (11) \$2,540,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,540,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for 250 full-time equivalent
7 students in high-demand fields and programs where enrollment access is
8 limited and employers are experiencing difficulty finding qualified
9 graduates to fill job openings. In allocating these instructional
10 resources, the state board may apply a portion of the amount provided
11 in this subsection towards the development of new direct transfer
12 agreements. Allocation of FTE enrollments to college districts shall
13 be granted principally to those preparing students for careers in (a)
14 nursing, dentistry, and other health services; (b) teaching; (c)
15 computing and information technology; (d) applied science and
16 engineering; and (e) viticulture and enology. All districts that
17 receive a high-demand enrollment allocation from the state board must
18 evidence work that fosters collaboration and eases the prospect for
19 articulation across educational sectors for students who have or will
20 participate in high-demand fields and programs supported by the state.
21 The state board shall report on implementation of this section by
22 November of each fiscal year to both the governor and the appropriate
23 policy and fiscal committees of the legislature.

24 (12) \$111,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$86,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely to support the development of a
27 comprehensive viticulture (grape growing) and enology (wine making)
28 higher education program in Washington state. From these sums, the
29 state board shall allocate:

30 (a) \$75,000 a year to Walla Walla community college for its
31 associate science and associate arts degree programs for the purpose of
32 vineyard and wine-making equipment purchases, student labor,
33 instructional supplies, field work, and travel expenses;

34 (b) \$25,000 on a one-time basis to Wenatchee community college for
35 the purpose of adapting its orchard employee educational program; and

36 (c) \$22,000 on a one-time basis to Yakima Valley community college
37 for the purpose of vineyard and wine-making equipment and supply
38 purchases.

1 The college districts named in this subsection are encouraged to
2 seek a portion of the high-demand student enrollment funding made
3 available on a competitive basis through the state board or the higher
4 education coordinating board to fill-out their respective need for
5 additional instructors and professional staff.

6 (13) \$50,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$50,000 of the general fund--state appropriation for
8 fiscal year 2005 are solely for higher education student child care
9 matching grants under chapter 28B.135 RCW.

10 (14) \$212,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$212,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided for allocation to Olympic college. The
13 college shall contract with accredited baccalaureate institution(s) to
14 bring a program of upper-division courses to Bremerton. The state
15 board for community and technical colleges shall report to the office
16 of financial management and the fiscal and higher education committees
17 of the legislature on the implementation of this subsection by December
18 1st of each fiscal year.

19 NEW SECTION. **Sec. 604. FOR UNIVERSITY OF WASHINGTON**

| | | |
|----|---|---------------|
| 20 | General Fund--State Appropriation (FY 2004) | \$307,932,000 |
| 21 | General Fund--State Appropriation (FY 2005) | \$299,951,000 |
| 22 | Death Investigations Account--State Appropriation | \$255,000 |
| 23 | Accident Account--State Appropriation | \$5,767,000 |
| 24 | Medical Aid Account--State Appropriation | \$5,797,000 |
| 25 | TOTAL APPROPRIATION | \$619,702,000 |

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

28 (1) \$1,875,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$1,875,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for technology education in the
31 form of an institute located at the University of Washington, Tacoma.
32 The university will continue to provide undergraduate and graduate
33 degree programs that focus and respond to regional technology needs of
34 employers and enrolled students including, but not limited to,
35 computing and software systems. As a condition of these
36 appropriations:

1 (a) The university will work with the state board for community and
2 technical colleges, or individual colleges where necessary, to
3 establish articulation agreements in addition to the existing associate
4 of arts and associate of science transfer degrees. Such agreements
5 shall improve the transferability of students and in particular,
6 students with substantial applied information technology credits.

7 (b) The university will establish performance measures for
8 recruiting, retaining, and graduating students, including
9 nontraditional students, and report to the governor and legislature by
10 September 2004 as to its progress and future steps.

11 (2) \$150,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$150,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for research faculty clusters in
14 the advanced technology initiative program.

15 (3) \$255,000 of the death investigations account appropriation is
16 provided solely for the forensic pathologist fellowship program.

17 (4) \$150,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$150,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the implementation of the
20 Puget Sound work plan and agency action item UW-01.

21 (5) \$75,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$75,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for the Olympic natural resource
24 center.

25 (6) \$1,526,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$3,096,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for competitively offered
28 recruitment and retention salary adjustments for instructional and
29 research faculty, exempt professional staff, academic administrators,
30 academic librarians, counselors, teaching and research assistants, as
31 classified by the office of financial management, and all other
32 nonclassified staff, but not including employees under RCW 28B.16.015.
33 Tuition revenues may be expended in addition to those required by this
34 section to further provide recruitment and retention salary
35 adjustments.

36 NEW SECTION. **Sec. 605. FOR WASHINGTON STATE UNIVERSITY**
37 General Fund--State Appropriation (FY 2004) \$182,712,000

1 General Fund--State Appropriation (FY 2005) \$180,136,000
 2 Washington State University Building Account--State
 3 Appropriation \$150,000
 4 TOTAL APPROPRIATION \$362,998,000

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

7 (1) \$245,000 of the general fund--state appropriation for fiscal
 8 year 2004 and \$734,000 of the general fund--state appropriation for
 9 fiscal year 2005 are provided solely to expand the entering class of
 10 veterinary medicine students by 16 full-time equivalent residents each
 11 academic year during the 2003-05 biennium.

12 (2) \$657,000 of the general fund--state appropriation for fiscal
 13 year 2004, \$180,000 of the general fund--state appropriation for fiscal
 14 year 2005, and the entire Washington state university building account
 15 appropriation are provided solely to support the development of a
 16 comprehensive viticulture (grape growing) and enology (wine making)
 17 higher education program in Washington state. In consideration of
 18 these appropriations, the legislature intends to provide ongoing
 19 support of not less than \$180,000 a year for extension field personnel
 20 and services. The balance of the amount provided from the fiscal year
 21 2004 appropriation is provided on a one-year basis to enable the
 22 university to appoint jointly shared faculty between the Pullman main
 23 campus and its branch campus in the TriCities. The legislature expects
 24 the university to meet ongoing faculty, staff, and related expenses to
 25 support the delivery of baccalaureate degree programs in viticulture
 26 and enology by making a successful bid for a portion of high-demand
 27 enrollment funding that will be distributed on a competitive basis by
 28 the state higher education coordinating board for student instruction
 29 during the 2004-05 academic year under section 610(4) of this act.

30 (3) \$675,000 of the general fund--state appropriation for fiscal
 31 year 2004 and \$675,000 of the general fund--state appropriation for
 32 fiscal year 2005 are provided solely for allocation in full to the
 33 branch campus in Vancouver to create and operate a state institute for
 34 engineering and science in partnership with Clark and Lower Columbia
 35 community colleges and regional industry leaders in southwest
 36 Washington. As a condition of this appropriation, the university shall
 37 develop and provide to the satisfaction of the office of financial
 38 management a business plan for the new institute. The university,

1 together with its two-year college and industry partners, shall provide
2 the governor, legislature, and state higher education coordinating
3 board with an annual summary of its progress to produce more graduates
4 trained in applied science technologies and engineering. Annual
5 reports to inform and advise policymakers of the partners' success,
6 emerging issues, and resource needs if any shall occur by no later than
7 November 15 during the 2003-05 biennium.

8 (4) \$150,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$150,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for research faculty clusters in
11 the advanced technology initiative program.

12 (5) \$165,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$166,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the implementation of the
15 Puget Sound work plan and agency action item WSU-01.

16 (6) \$949,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$1,927,000 of general fund--state appropriation for
18 fiscal year 2005 are provided solely for competitively offered
19 recruitment and retention salary adjustments for instructional and
20 research faculty, exempt professional staff, academic administrators,
21 academic librarians, counselors, teaching and research assistants, as
22 classified by the office of financial management, and all other
23 nonclassified staff, but not including employees under RCW 28B.16.015.
24 Tuition revenues may be expended in addition to those required by this
25 section to further provide recruitment and retention salary
26 adjustments.

27 **NEW SECTION. Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY**

| | | |
|----|---|--------------|
| 28 | General Fund--State Appropriation (FY 2004) | \$40,718,000 |
| 29 | General Fund--State Appropriation (FY 2005) | \$39,607,000 |
| 30 | TOTAL APPROPRIATION | \$80,325,000 |

31 The appropriations in this section are subject to the following
32 conditions and limitations: \$248,000 of the general fund--state
33 appropriation for fiscal year 2004 and \$503,000 of general fund--state
34 appropriation for fiscal year 2005 are provided solely for
35 competitively offered recruitment and retention salary adjustments for
36 instructional and research faculty, exempt professional staff, academic
37 administrators, academic librarians, counselors, teaching and research

1 assistants, as classified by the office of financial management, and
2 all other nonclassified staff, but not including employees under RCW
3 28B.16.015. Tuition revenues may be expended in addition to those
4 required by this section to further provide recruitment and retention
5 salary adjustments.

6 NEW SECTION. **Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

| | | |
|---|---|--------------|
| 7 | General Fund--State Appropriation (FY 2004) | \$39,784,000 |
| 8 | General Fund--State Appropriation (FY 2005) | \$39,230,000 |
| 9 | TOTAL APPROPRIATION | \$79,014,000 |

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

12 (1) \$1,050,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,050,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided to expand university enrollment by 134
15 full-time equivalent undergraduate students.

16 (2) \$206,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$418,000 of general fund--state appropriation for fiscal
18 year 2005 are provided solely for competitively offered recruitment and
19 retention salary adjustments for instructional and research faculty,
20 exempt professional staff, academic administrators, academic
21 librarians, counselors, teaching and research assistants, as classified
22 by the office of financial management, and all other nonclassified
23 staff, but not including employees under RCW 28B.16.015. Tuition
24 revenues may be expended in addition to those required by this section
25 to further provide recruitment and retention salary adjustments.

26 NEW SECTION. **Sec. 608. FOR THE EVERGREEN STATE COLLEGE**

| | | |
|----|---|--------------|
| 27 | General Fund--State Appropriation (FY 2004) | \$22,363,000 |
| 28 | General Fund--State Appropriation (FY 2005) | \$21,383,000 |
| 29 | TOTAL APPROPRIATION | \$43,746,000 |

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

32 (1) \$124,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$252,000 of general fund--state appropriation for fiscal
34 year 2005 are provided solely for competitively offered recruitment and
35 retention salary adjustments for instructional and research faculty,
36 exempt professional staff, academic administrators, academic

1 librarians, counselors, teaching and research assistants, as classified
2 by the office of financial management, and all other nonclassified
3 staff, but not including employees under RCW 28B.16.015. Tuition
4 revenues may be expended in addition to those required by this section
5 to further provide recruitment and retention salary adjustments.

6 (2) \$75,000 of the general fund--state appropriation for fiscal
7 year 2004 is provided solely for the institute for public policy to
8 examine and report to the legislature by November 15, 2003, on
9 potential enrollment levels, costs, and offsetting savings of
10 alternative approaches for providing prescription drug benefits under
11 a waiver of federal rules for low-income, elderly, and disabled
12 residents who would not otherwise qualify for Medicaid.

13 (3) \$25,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$25,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for the institute for public
16 policy to conduct the evaluation outlined in Substitute Senate Bill No.
17 5012 (charter schools).

18 (4) \$26,000 of the general fund--state appropriation for fiscal
19 year 2004 is provided solely for the Washington state institute for
20 public policy to develop adherence and outcome standards for measuring
21 the effectiveness of treatment programs referred to in Engrossed Second
22 Substitute Senate Bill No. 5903 (juvenile offender sentencing). The
23 standards shall be developed and presented to the governor and
24 legislature by no later than January 1, 2004.

25 (5) \$12,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$12,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the Washington state institute
28 for public policy to examine the results of the changes in earned
29 release under Engrossed Substitute Senate Bill No. 5990 (changing times
30 and supervision standards for release of offenders). The study shall
31 determine whether the changes in earned release affect the rate of
32 recidivism or the type of offenses committed by persons whose release
33 dates were affected by the changes under the bill. The institute shall
34 report its findings to the governor and appropriate committees of the
35 legislature by no later than December 1, 2008.

36 NEW SECTION. **Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**
37 General Fund--State Appropriation (FY 2004) \$53,342,000

1 General Fund--State Appropriation (FY 2005) \$51,914,000
2 TOTAL APPROPRIATION \$105,256,000

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

5 (1) \$980,400 of the general fund--state appropriation for fiscal
6 year 2004 and \$980,400 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the operations of the North
8 Snohomish, Island, Skagit (NSIS) higher education consortium.

9 (2) \$248,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$503,000 of general fund--state appropriation for fiscal
11 year 2005 are provided solely for competitively offered recruitment and
12 retention salary adjustments for instructional and research faculty,
13 exempt professional staff, academic administrators, academic
14 librarians, counselors, teaching and research assistants, as classified
15 by the office of financial management, and all other nonclassified
16 staff, but not including employees under RCW 28B.16.015. Tuition
17 revenues may be expended in addition to those required by this section
18 to further provide recruitment and retention salary adjustments.

19 NEW SECTION. **Sec. 610. FOR THE HIGHER EDUCATION COORDINATING**
20 **BOARD--POLICY COORDINATION AND ADMINISTRATION**

21 General Fund--State Appropriation (FY 2004) \$2,453,000
22 General Fund--State Appropriation (FY 2005) \$17,311,000
23 General Fund--Federal Appropriation \$642,000
24 Higher Education Agency Account--Local Appropriation \$284,000
25 TOTAL APPROPRIATION \$20,690,000

26 The appropriations in this section are provided to carry out the
27 policy coordination, planning, studies and administrative functions of
28 the board and are subject to the following conditions and limitations:

29 (1) \$175,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$175,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely to continue a demonstration
32 project to improve rural access to post-secondary education by matching
33 students up with distance learning technologies and education providers
34 in Jefferson County. The board shall examine the feasibility and
35 provide the governor and legislature with a report by July of 2004,

1 that outlines how the state might proceed to transfer this experience
2 and replicate or test an alternative model in another region of the
3 state.

4 (2) \$173,000 of the general fund--state appropriation for fiscal
5 year 2004, \$122,000 of the general fund--state appropriation for fiscal
6 year 2005, and the entire higher education agency account--local
7 appropriation, are provided to meet the student petition requirements
8 assigned to the board pursuant to Engrossed Second Substitute Senate
9 Bill No. 5135 (creating tuition surcharge). If the bill is not enacted
10 by June 30, 2003, the amounts provided in this subsection shall lapse.

11 (3) Within the appropriations provided in this section, funds are
12 provided to continue the teacher training pilot pursuant to chapter
13 28B.80 RCW until standing authority for this program expires as
14 scheduled on January 1, 2005.

15 (4) \$85,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$14,995,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to contract for 1,050 full-time
18 equivalent students in high-demand fields in fiscal year 2005. High-
19 demand fields are programs where enrollment access is limited and
20 employers are experiencing difficulty finding qualified graduates to
21 fill job openings. Of the amounts provided, a reasonable amount may be
22 used for management of the competitive process for awarding high-demand
23 student FTEs.

24 (a) The board will manage a competitive process for awarding high-
25 demand student FTEs. Any two- or four-year post-secondary institution
26 may apply however, in all cases, a public or nonprofit, accredited
27 educational corporation or institution based in Washington shall serve
28 as the grant-recipient of record and participate with the private
29 independent or proprietary school in curriculum planning and its
30 execution. Priority will go to competitive proposals that include
31 cooperative partnerships and articulation agreements.

32 (b) Among coequals, the board shall make it a priority to fund
33 proposals that prepare students for careers in (i) nursing, dentistry,
34 and other health services; (ii) teaching; (iii) computing and
35 information technology; (iv) applied science and engineering; (v)
36 viticulture and enology, but not to the exclusion of compelling
37 proposals that document specific regional student and employer demand

1 in fields not listed in this subsection. Proposals and grant awards
2 will separately identify one-time, nonrecurring costs and ongoing
3 costs.

4 (c) The board will establish a proposal review committee that will
5 include representatives from the board, the office of financial
6 management, out-of-state higher education institutions or associations,
7 western interstate commission on higher education, and economic
8 development and labor market analysts. The board will develop the
9 request for proposals, including the criteria for awarding grants, in
10 consultation with the proposal review committee.

11 (d) Colleges and universities that receive grants shall provide the
12 board and the forecast division of the office of financial management
13 with data specified by the board or the office of financial management
14 that shows the impact of this subsection, particularly the degree of
15 improved access to high-demand programs for students and successful job
16 placements for graduates. During the 2003-05 biennium, the board will
17 prepare an annual report on the impact of this subsection and provide
18 it to the office of financial management and the fiscal and higher
19 education committees of the legislature by November 1 for the prior
20 academic year.

21 NEW SECTION. **Sec. 611. FOR THE HIGHER EDUCATION COORDINATING**
22 **BOARD--FINANCIAL AID AND GRANT PROGRAMS**

| | | |
|----|---|---------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$146,907,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$159,100,000 |
| 25 | General Fund--Federal Appropriation | \$7,534,000 |
| 26 | TOTAL APPROPRIATION | \$313,541,000 |

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

29 (1) \$259,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$273,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the western interstate
32 commission for higher education.

33 (2) \$1,100,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$1,100,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the health professional
36 conditional scholarship and loan program under chapter 28B.115 RCW.

1 This amount shall be deposited to the health professional loan
2 repayment and scholarship trust fund to carry out the purposes of the
3 program.

4 (3) \$75,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$75,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for higher education student child
7 care matching grants under chapter 28B.135 RCW.

8 (4) \$25,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$25,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the benefit of students who
11 participate in college assistance migrant programs (CAMP) operating in
12 Washington state. To ensure timely state aid, the board may establish
13 a date after which no additional grants would be available for the
14 2003-04 and 2004-05 academic years. The board shall disperse grants in
15 equal amounts to eligible post-secondary institutions so that state
16 money in all cases supplements federal CAMP awards.

17 (5) \$113,212,000 of the general fund--state appropriation for
18 fiscal year 2004 and \$125,193,000 of the general fund--state
19 appropriation for fiscal year 2005 are provided solely for the state
20 need grant program. After April 1 of each fiscal year, up to one
21 percent of the annual appropriation for the state need grant program
22 may be transferred to the state work study program.

23 (6) \$17,048,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$17,048,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the state work study program.
26 After April 1 of each fiscal year, up to one percent of the annual
27 appropriation for the state work study program may be transferred to
28 the state need grant program. In addition to the administrative
29 allowance in subsection (12) of this section, four percent of the
30 general fund--state amount in this subsection may be expended for state
31 work study program administration.

32 (7) \$2,867,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$2,867,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for educational opportunity
35 grants. The board may deposit sufficient funds from its appropriation
36 into the state education trust fund as established in RCW 28B.10.821 to
37 provide a one-year renewal of the grant for each new recipient of the
38 educational opportunity grant award. Unless otherwise provided by the

1 enactment of Engrossed Senate Bill No. 5676 or Substitute House Bill
2 No. 1731 by June 30, 2003, and for the purpose of establishing
3 eligibility for the educational opportunity grant program for
4 placebound students under RCW 28B.101.020, Thurston county lies within
5 the branch campus service area of the Tacoma branch campus of the
6 University of Washington.

7 (8) \$1,957,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$2,231,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely to implement the Washington
10 scholars program. Any Washington scholars program moneys not awarded
11 by April 1st of each year may be transferred by the board to the
12 Washington award for vocational excellence.

13 (9) \$808,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$875,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to implement Washington award for
16 vocational excellence program. Any Washington award for vocational
17 program moneys not awarded by April 1st of each year may be transferred
18 by the board to the Washington scholars program.

19 (10) \$246,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$246,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for community scholarship matching
22 grants of \$2,000 each. To be eligible for the matching grant, a
23 nonprofit community organization organized under section 501(c)(3) of
24 the internal revenue code must demonstrate that it has raised \$2,000 in
25 new moneys for college scholarships after the effective date of this
26 act. An organization may receive more than one \$2,000 matching grant
27 and preference shall be given to organizations affiliated with the
28 citizens' scholarship foundation.

29 (11) Subject to state need grant service requirements pursuant to
30 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
31 appropriation for fiscal year 2004 and \$6,050,000 of the general fund--
32 state appropriation for fiscal year 2005 are provided solely for the
33 Washington promise scholarship program.

34 (12) \$2,721,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$2,577,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for financial aid administration,
37 in addition to the four percent cost allowance provision for state work
38 study under subsection (6) of this section. These funds are provided

1 to administer all the financial aid and grant programs assigned to the
2 board by the legislature and administered by the agency. To the extent
3 the executive director finds the agency will not require the full sum
4 provided in this subsection, a portion may be transferred to supplement
5 financial grants-in-aid to eligible clients after notifying the board
6 and the office of financial management of the intended transfer.

7 (13) \$539,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$540,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for the displaced homemakers
10 program.

11 NEW SECTION. **Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**
12 **COORDINATING BOARD**

| | | |
|----|---|--------------|
| 13 | General Fund--State Appropriation (FY 2004) | \$1,682,000 |
| 14 | General Fund--State Appropriation (FY 2005) | \$1,640,000 |
| 15 | General Fund--Federal Appropriation | \$53,796,000 |
| 16 | TOTAL APPROPRIATION | \$57,118,000 |

17 The appropriations in this section are subject to the following
18 conditions and limitations: \$485,000 of the general fund--state
19 appropriation for fiscal year 2004 and \$485,000 of the general fund--
20 state appropriation for fiscal year 2005 are provided solely for the
21 operations and development of the inland northwest technology education
22 center (INTEC) as a regional resource and model for the rapid
23 deployment of skilled workers trained in the latest technologies for
24 Washington. The board shall serve as an advisor to and fiscal agent
25 for INTEC, and will report back to the governor and legislature by
26 September 2004 as to the progress and future steps for INTEC.

27 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**
28 **AND TECHNOLOGY INSTITUTE**

| | | |
|----|---|-------------|
| 29 | General Fund--State Appropriation (FY 2004) | \$1,404,000 |
| 30 | General Fund--State Appropriation (FY 2005) | \$1,415,000 |
| 31 | TOTAL APPROPRIATION | \$2,819,000 |

32 NEW SECTION. **Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION**

| | | |
|----|---|-------------|
| 33 | General Fund--State Appropriation (FY 2004) | \$1,718,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$1,725,000 |
| 35 | General Fund--Federal Appropriation | \$1,026,000 |

| | | |
|----|---|--------------|
| 1 | TOTAL APPROPRIATION | \$4,469,000 |
| 2 | <u>NEW SECTION. Sec. 615. FOR THE WASHINGTON STATE HISTORICAL</u> | |
| 3 | SOCIETY | |
| 4 | General Fund--State Appropriation (FY 2004) | \$2,462,000 |
| 5 | General Fund--State Appropriation (FY 2005) | \$2,529,000 |
| 6 | TOTAL APPROPRIATION | \$4,991,000 |
| 7 | <u>NEW SECTION. Sec. 616. FOR THE EASTERN WASHINGTON STATE</u> | |
| 8 | HISTORICAL SOCIETY | |
| 9 | General Fund--State Appropriation (FY 2004) | \$1,459,000 |
| 10 | General Fund--State Appropriation (FY 2005) | \$1,490,000 |
| 11 | TOTAL APPROPRIATION | \$2,949,000 |
| 12 | <u>NEW SECTION. Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND</u> | |
| 13 | General Fund--State Appropriation (FY 2004) | \$4,591,000 |
| 14 | General Fund--State Appropriation (FY 2005) | \$4,602,000 |
| 15 | General Fund--Private/Local Appropriation | \$1,335,000 |
| 16 | TOTAL APPROPRIATION | \$10,528,000 |
| 17 | <u>NEW SECTION. Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF</u> | |
| 18 | General Fund--State Appropriation (FY 2004) | \$7,536,000 |
| 19 | General Fund--State Appropriation (FY 2005) | \$7,496,000 |
| 20 | General Fund--Private/Local Appropriation | \$232,000 |
| 21 | TOTAL APPROPRIATION | \$15,264,000 |

(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) | \$580,312,000 |
| General Fund--State Appropriation (FY 2005) | \$627,938,000 |
| State Building Construction Account--State Appropriation | \$7,014,000 |
| State Taxable Building Construction Account--State Appropriation | \$322,000 |
| Debt-Limit Reimbursable Bond Retirement Account--State Appropriation | \$2,587,000 |
| TOTAL APPROPRIATION | \$1,218,173,000 |

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.

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 GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE**

| | |
|---|--------------|
| General Fund--State Appropriation (FY 2004) | \$26,394,000 |
| General Fund--State Appropriation (FY 2005) | \$24,805,000 |
| Higher Education Construction Account--State Appropriation | \$238,000 |
| State Vehicle Parking Account--State Appropriation | \$102,000 |
| Capital Historic District Construction Account--State | |

| | | |
|---|--|---------------|
| 1 | Appropriation | \$299,000 |
| 2 | Nondebt-Limit Reimbursable Bond Retirement Account-- | |
| 3 | State Appropriation | \$128,375,000 |
| 4 | TOTAL APPROPRIATION | \$180,213,000 |

5 The appropriations in this section are subject to the following
6 conditions and limitations: The general fund appropriation is for
7 deposit into the nondebt-limit general fund bond retirement account.

8 NEW SECTION. **Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT**
9 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
10 **BOND SALE EXPENSES**

| | | |
|----|--|-------------|
| 11 | General Fund--State Appropriation (FY 2004) | \$526,000 |
| 12 | General Fund--State Appropriation (FY 2005) | \$526,000 |
| 13 | Higher Education Construction Account--State | |
| 14 | Appropriation | \$35,000 |
| 15 | State Vehicle Parking Account--State Appropriation | \$17,000 |
| 16 | State Building Construction Account--State | |
| 17 | Appropriation | \$2,032,000 |
| 18 | Capital Historic District Construction Account--State | |
| 19 | Appropriation | \$45,000 |
| 20 | State Taxable Building Construction Account--State | |
| 21 | Appropriation | \$50,000 |
| 22 | TOTAL APPROPRIATION | \$3,231,000 |

23 NEW SECTION. **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
24 **EMERGENCY FUND**

| | | |
|----|---|-------------|
| 25 | General Fund--State Appropriation (FY 2004) | \$850,000 |
| 26 | General Fund--State Appropriation (FY 2005) | \$850,000 |
| 27 | TOTAL APPROPRIATION | \$1,700,000 |

28 The appropriations in this section are subject to the following
29 conditions and limitations: The appropriations in this section are for
30 the governor's emergency fund for the critically necessary work of any
31 agency.

32 NEW SECTION. **Sec. 706. 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 military department for fire mobilizations costs or to the department
2 of natural resources for fire suppression costs.

3 NEW SECTION. **Sec. 707. AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT,**
4 **AND PERSONAL SERVICE CONTRACTS.** The office of financial management
5 shall reduce allotments for all agencies for personal service
6 contracts, equipment, and travel by \$20,151,000 from 2003-05 biennial
7 general fund appropriations in this act to reflect the elimination of
8 expenditures identified in LEAP document 32, a computerized tabulation
9 developed by the legislative evaluation and accountability program
10 committee on April 2, 2003. The general fund allotment reduction shall
11 be placed in unallotted status and remain unexpended.

12 NEW SECTION. **Sec. 708. AGENCY EXPENDITURES FOR LEGISLATIVE**
13 **LIAISONS.** During the 2003-05 fiscal biennium, no state agency or
14 institution may expend any moneys appropriated in this act to employ
15 legislative liaisons or contract for legislative liaisons. However,
16 each independently elected statewide official may employ one FTE
17 legislative liaison during the 2003-05 fiscal biennium. The office of
18 financial management shall reduce allotments for agencies by \$3,257,000
19 from 2003-05 biennial general fund appropriations in this act to
20 reflect the elimination of the expenditures identified in LEAP document
21 34, a computerized tabulation developed by the legislative evaluation
22 and accountability program committee on April 3, 2003. The general
23 fund allotment reduction shall be placed in unallotted status and
24 remain unexpended.

25 State funds provided in Part V of this act may not be expended by
26 or for any organization, association, or other entity attempting to
27 influence the passage or defeat of any legislation by the legislature
28 of the state of Washington.

29 NEW SECTION. **Sec. 709. AGENCY EXPENDITURES FOR TORT LIABILITY.**
30 The office of financial management shall reduce allotments for all
31 agencies by \$18,000,000 from 2003-05 biennial general fund
32 appropriations in this act to reflect the reduction in state tort
33 liability under Senate Bill No. 5728 or 5999. The general fund
34 allotment reduction shall be placed in unallotted status and remain
35 unexpended.

1 **Sec. 710.** 2003 c . . . (SSB 5403) s 707 (uncodified) is amended to
2 read as follows:

3 **STATE EMPLOYMENT.** (1) From the effective date of this act until
4 the conclusion of the fiscal biennium ending June 30, 2003, and
5 consistent with the governor's Executive Directive No. 02-04, state
6 agencies of the executive branch shall not establish new staff
7 positions except as specifically authorized by this supplemental
8 appropriations act or fill vacant existing staff positions except as
9 specifically authorized by this section.

10 (2) Public safety agencies may fill two-thirds of staff positions
11 becoming vacant; all other agencies may fill two-fifths of vacant
12 positions. In filling vacant positions pursuant to this subsection,
13 agencies shall place the highest priority on front-line positions
14 engaged in service delivery to the public.

15 (3) Exceptions to subsections (1) and (2) of this section may be
16 granted only by the governor and only for critical or emergent
17 situations that threaten public health or safety, as determined by the
18 governor. The governor shall notify the legislative fiscal committees
19 within ten days of the granting of any exception under this subsection.

20 (4) This section applies to all agencies of the executive branch,
21 including all boards, commissions, and agencies headed by elected
22 officials. This section does not apply to the institutions of higher
23 education and state institutional programs. This section does not
24 apply to the filling of temporary, seasonal positions by the following
25 agencies: The department of natural resources, the department of fish
26 and wildlife, the department of agriculture, the department of ecology,
27 and the state parks and recreation commission. It is the intent of the
28 legislature that agencies of the legislative and judicial branches of
29 state government shall also observe the employment policies established
30 by this section, subject to such procedures as may be adopted by the
31 legislative and judicial branches, respectively.

32 NEW SECTION. **Sec. 711. SUNDRY CLAIMS.** The following sums, or
33 so much thereof as may be necessary, are appropriated from the general
34 fund, unless otherwise indicated, for relief of various individuals,
35 firms, and corporations for sundry claims. These appropriations are to
36 be disbursed on vouchers approved by the director of financial
37 management, 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:
- 3 (a) Kelly C. Schwartz, claim 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 SCG 03-05 . . . \$49,379
- 7 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 8 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 9 (3) Reimbursement of legal costs, Building Industry Association of
- 10 Washington, claim number SCO 03-26 \$45,912

11 NEW SECTION. **Sec. 712. BELATED CLAIMS.** The agencies and
 12 institutions of the state may expend moneys appropriated in this act,
 13 upon approval of the office of financial management, for the payment of
 14 supplies and services furnished to the agency or institution in prior
 15 fiscal biennia.

16 NEW SECTION. **Sec. 713. COMPENSATION--INSURANCE BENEFITS.**

| | | |
|----|---|--------------|
| 17 | General Fund--State Appropriation (FY 2004) | \$4,606,000 |
| 18 | General Fund--Federal Appropriation (FY 2005) | \$29,546,000 |
| 19 | General Fund--Federal Appropriation | \$7,012,000 |
| 20 | General Fund--Private/Local Appropriation | \$773,000 |
| 21 | Salary and Insurance Increase Revolving Account | |
| 22 | Appropriation | \$22,174,000 |
| 23 | TOTAL APPROPRIATION | \$64,111,000 |

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

26 (1)(a) The monthly employer funding rate for insurance benefit
 27 premiums, public employees' benefits board administration, and the
 28 uniform medical plan, shall not exceed \$495.30 per eligible employee
 29 for fiscal year 2004, and \$567.67 for fiscal year 2005.

30 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
 31 employee shall be included in the employer funding rate for fiscal year
 32 2004, and \$2.11 per eligible employee shall be included in the employer
 33 funding rate for fiscal year 2005, solely to increase life insurance
 34 coverage in accordance with a court approved settlement in *Burbage et*
 35 *al. v. State of Washington* (Thurston county superior court cause no.
 36 94-2-02560-8).

1 (c) In order to achieve the level of funding provided for health
2 benefits, the public employees' benefits board shall require any or all
3 of the following: Employee premium copayments, increases in point-of-
4 service cost sharing, the implementation of managed competition, or
5 make other changes to benefits consistent with RCW 41.05.065.

6 (d) The health care authority shall deposit any moneys received on
7 behalf of the uniform medical plan as a result of rebates on
8 prescription drugs, audits of hospitals, subrogation payments, or any
9 other moneys recovered as a result of prior uniform medical plan claims
10 payments, into the public employees' and retirees' insurance account to
11 be used for insurance benefits. Such receipts shall not be used for
12 administrative expenditures.

13 (2) To facilitate the transfer of moneys from dedicated funds and
14 accounts, the state treasurer is directed to transfer sufficient moneys
15 from each dedicated fund or account to the special fund salary and
16 insurance contribution increase revolving fund in accordance with
17 schedules provided by the office of financial management.

18 (3) The health care authority, subject to the approval of the
19 public employees' benefits board, shall provide subsidies for health
20 benefit premiums to eligible retired or disabled public employees and
21 school district employees who are eligible for parts A and B of
22 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
23 December 31, 2004, the subsidy shall be \$102.03. Starting January 1,
24 2005, the subsidy shall be \$115.49 per month.

25 (4) Technical colleges, school districts, and educational service
26 districts shall remit to the health care authority for deposit into the
27 public employees' and retirees' insurance account established in RCW
28 41.05.120 the following amounts:

29 (a) For each full-time employee, \$42.75 per month beginning
30 September 1, 2003, and \$48.92 beginning September 1, 2004;

31 (b) For each part-time employee who, at the time of the remittance,
32 is employed in an eligible position as defined in RCW 41.32.010 or
33 41.40.010 and is eligible for employer fringe benefit contributions for
34 basic benefits, \$42.75 each month beginning September 1, 2003, and
35 \$48.92 beginning September 1, 2004, prorated by the proportion of
36 employer fringe benefit contributions for a full-time employee that the
37 part-time employee receives.

1 The remittance requirements specified in this subsection shall not
2 apply to employees of a technical college, school district, or
3 educational service district who purchase insurance benefits through
4 contracts with the health care authority.

5 (5) The salary and insurance increase revolving account
6 appropriation includes amounts sufficient to fund health benefits for
7 ferry workers at the premium levels specified in subsection (1) of this
8 section, consistent with the 2003-2005 transportation appropriations
9 act.

10 NEW SECTION. **Sec. 714. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
11 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in this
12 section are subject to the following conditions and limitations: The
13 appropriations for the law enforcement officers' and firefighters'
14 retirement system shall be made on a monthly basis consistent with
15 chapter 41.45 RCW, and the appropriations for the judges and judicial
16 retirement systems shall be made on a quarterly basis consistent with
17 chapters 2.10 and 2.12 RCW.

18 (1) There is appropriated for state contributions to the law
19 enforcement officers' and fire fighters' retirement system:

| | | |
|----|---|--------------|
| 20 | General Fund--State Appropriation (FY 2004) | \$21,171,000 |
| 21 | General Fund--State Appropriation (FY 2005) | \$20,829,000 |

22 (2) There is appropriated for contributions to the judicial
23 retirement system:

| | | |
|----|---|-------------|
| 24 | General Fund--State Appropriation (FY 2004) | \$6,000,000 |
| 25 | General Fund--State Appropriation (FY 2005) | \$6,000,000 |

26 (3) There is appropriated for contributions to the judges
27 retirement system:

| | | |
|----|---|--------------|
| 28 | General Fund--State Appropriation (FY 2004) | \$500,000 |
| 29 | General Fund--State Appropriation (FY 2005) | \$500,000 |
| 30 | TOTAL APPROPRIATION | \$55,000,000 |

31 NEW SECTION. **Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
32 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

| | | |
|----|---|-----------|
| 33 | General Fund--State Appropriation (FY 2004) | \$674,000 |
| 34 | General Fund--State Appropriation (FY 2005) | \$683,000 |
| 35 | Judicial Information Systems Account--State | |
| 36 | Appropriation | \$57,000 |

| | | |
|---|--|-------------|
| 1 | Department of Retirement Systems Expense Account-- | |
| 2 | State Appropriation | \$14,000 |
| 3 | Public Safety and Education Account--State | |
| 4 | Appropriation | \$199,000 |
| 5 | TOTAL APPROPRIATION | \$1,627,000 |

6 The appropriations in this section are provided solely to fund
7 pension contributions to the public employees' retirement system and
8 teachers' retirement systems for judicial and legislative employees,
9 effective July 1, 2003.

10 NEW SECTION. **Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
11 **PENSION CONTRIBUTION ADJUSTMENTS**

| | | |
|----|--|----------------|
| 12 | General Fund--State Appropriation (FY 2004) | (\$10,524,000) |
| 13 | General Fund--State Appropriation (FY 2005) | (\$10,618,000) |
| 14 | Projected Unit Credit Offset Account Appropriation | (\$13,696,000) |
| 15 | TOTAL APPROPRIATION | (\$34,838,000) |

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

18 (1) The appropriations in this section are provided solely to make
19 adjustments to agency appropriations to reflect savings resulting from
20 the adoption of the projected unit credit actuarial funding method for
21 plans 2 and 3 of the public employees', teachers', and school
22 employees' retirement systems as provided in Senate Bill No. 6029
23 (funding PERS, TERS, and SERS). If the bill is not enacted by June 30,
24 2003, the amount provided in this section shall lapse.

25 (2) To facilitate the transfer of moneys from dedicated funds and
26 accounts, the state treasurer is directed to transfer sufficient moneys
27 from each dedicated fund or account to the projected unit credit offset
28 account, hereby created in the state treasury, in accordance with
29 schedules provided by the office of financial management.

30 NEW SECTION. **Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
31 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

| | | |
|----|---|--------------|
| 32 | General Fund--State Appropriation (FY 2004) | \$10,468,000 |
| 33 | General Fund--State Appropriation (FY 2005) | \$10,468,000 |
| 34 | TOTAL APPROPRIATION | \$20,936,000 |

1 The appropriation in this section is 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. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
8 **REVOLVING FUND ADJUSTMENTS**

| | | |
|----|--|-------------|
| 9 | General Fund--State Appropriation (FY 2004) | \$3,350,000 |
| 10 | General Fund--State Appropriation (FY 2005) | \$3,350,000 |
| 11 | Revolving Fund Revolving Account Appropriation | \$2,792,000 |
| 12 | TOTAL APPROPRIATION | \$9,492,000 |

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

15 (1) The appropriations in this section are provided solely to make
16 adjustments to agency revolving fund assessments for internal services
17 to reflect policy changes made to the governor's proposed omnibus
18 appropriations act. Policy changes include increased appropriations
19 for legal and archival services (\$1,400,000 each), the restoration of
20 the office of minority and women's business enterprises (\$2,400,000),
21 and the cancellation of the governor's proposed merger of the
22 department of personnel and the department of retirement systems
23 (\$5,300,000).

24 (2) To facilitate the transfer of moneys from dedicated funds and
25 accounts, the state treasurer is directed to transfer sufficient moneys
26 from each dedicated fund or account to the revolving fund revolving
27 account, hereby created in the state treasury, in accordance with
28 schedules provided by the office of financial management.

29 NEW SECTION. **Sec. 719. INCENTIVE SAVINGS--FY 2004.** The sum of
30 one hundred million dollars or so much thereof as may be available on
31 June 30, 2004, from the total amount of unspent fiscal year 2004 state
32 general fund appropriations is appropriated for the purposes of RCW
33 43.79.460 in the manner provided in this section.

34 (1) Of the total appropriated amount, one-half of that portion that
35 is attributable to incentive savings, not to exceed twenty-five million

1 dollars, is appropriated to the savings incentive account for the
2 purpose of improving the quality, efficiency, and effectiveness of
3 agency services, and credited to the agency that generated the savings.

4 (2) The remainder of the total amount, not to exceed seventy-five
5 million dollars, is appropriated to the education savings account.

6 NEW SECTION. **Sec. 720. INCENTIVE SAVINGS--FY 2005.** The sum of
7 one hundred million dollars or so much thereof as may be available on
8 June 30, 2005, from the total amount of unspent fiscal year 2005 state
9 general fund appropriations is appropriated for the purposes of RCW
10 43.79.460 in the manner provided in this section.

11 (1) Of the total appropriated amount, one-half of that portion that
12 is attributable to incentive savings, not to exceed twenty-five million
13 dollars, is appropriated to the savings incentive account for the
14 purpose of improving the quality, efficiency, and effectiveness of
15 agency services, and credited to the agency that generated the savings.

16 (2) The remainder of the total amount, not to exceed seventy-five
17 million dollars, is appropriated to the education savings account.

18 NEW SECTION. **Sec. 721. FOR THE DEPARTMENT OF HEALTH--COUNTY**
19 **PUBLIC HEALTH ASSISTANCE**

20 Health Services Account--State Appropriation \$48,000,000

21 The appropriation in this section is subject to the following
22 conditions and limitations: The director of the department of health
23 shall distribute the appropriation as follows: \$48,000,000 is provided
24 to the department of health to support protection and improvement of
25 the public's health and to increase the efficiency and effectiveness of
26 the public health system. Funds will be provided to local public
27 health departments and districts through performance-based contracts to
28 help attain the standards for public health and to implement the
29 recommendations of the public health improvement plan. A monitoring
30 and reporting mechanism will be established to demonstrate progress
31 toward these goals.

32 NEW SECTION. **Sec. 722. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
33 **AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE**

34 General Fund--State Appropriation (FY 2004) \$1,500,000
35 General Fund--State Appropriation (FY 2005) \$1,500,000

1 TOTAL APPROPRIATION \$3,000,000

2 The appropriations in this section are subject to the following
3 conditions and limitations: The director of community, trade, and
4 economic development shall distribute the appropriations in this
5 section to the following counties in the amounts designated:

| | 2004 | 2005 |
|-----------------|--------------------|--------------------|
| 7 Garfield | \$290,000 | \$290,000 |
| 8 Columbia | \$200,500 | \$200,500 |
| 9 Wahkiakum | \$129,500 | \$129,500 |
| 10 Ferry | \$99,500 | \$99,500 |
| 11 Okanogan | \$140,000 | \$140,000 |
| 12 Asotin | \$108,500 | \$108,500 |
| 13 Stevens | \$209,000 | \$209,000 |
| 14 Douglas | \$132,000 | \$132,000 |
| 15 Lincoln | \$75,500 | \$75,500 |
| 16 Pend Oreille | \$71,500 | \$71,500 |
| 17 Skamania | \$44,000 | \$44,000 |
| 18 TOTAL | \$1,500,000 | \$1,500,000 |

19 NEW SECTION. **Sec. 723. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
20 **AND ECONOMIC DEVELOPMENT--MUNICIPAL ASSISTANCE**

21 General Fund--State Appropriation (FY 2004) \$3,500,000

22 The appropriation in this section is subject to the following
23 conditions and limitations: The director of community, trade, and
24 economic development shall distribute the appropriation in this section
25 to the following cities in the amounts designated:

| | 2004 |
|-------------------|-------------|
| 27 Airway Heights | \$5,000 |
| 28 Albion | \$24,000 |
| 29 Almira | \$1,000 |
| 30 Asotin | \$10,000 |
| 31 Benton City | \$15,000 |

| | | |
|----|---------------|-----------|
| 1 | Black Diamond | \$18,000 |
| 2 | Bridgeport | \$68,000 |
| 3 | Brier | \$129,000 |
| 4 | Bucoda | \$15,000 |
| 5 | Carbonado | \$15,000 |
| 6 | Cashmere | \$13,000 |
| 7 | Cheney | \$19,000 |
| 8 | Chewelah | \$1,000 |
| 9 | Colfax | \$1,000 |
| 10 | College Place | \$138,000 |
| 11 | Colton | \$5,000 |
| 12 | Conconully | \$4,000 |
| 13 | Concrete | \$1,000 |
| 14 | Connell | \$27,000 |
| 15 | Coulee Dam | \$6,000 |
| 16 | Covington | \$117,000 |
| 17 | Creston | \$2,000 |
| 18 | Cusick | \$750 |
| 19 | Darrington | \$6,000 |
| 20 | Davenport | \$4,000 |
| 21 | Dayton | \$1,000 |
| 22 | Des Moines | \$161,000 |
| 23 | Edgewood | \$272,000 |
| 24 | Electric City | \$27,000 |
| 25 | Elma | \$2,000 |
| 26 | Elmer City | \$11,000 |
| 27 | Endicott | \$10,000 |
| 28 | Entiat | \$10,000 |
| 29 | Everson | \$5,000 |
| 30 | Fairfield | \$1,000 |
| 31 | Farmington | \$3,000 |
| 32 | Fircrest | \$50,000 |
| 33 | Forks | \$5,000 |
| 34 | Garfield | \$12,000 |
| 35 | George | \$2,000 |
| 36 | Gold Bar | \$29,000 |
| 37 | Grandview | \$15,000 |

| | | |
|----|-------------------|-----------|
| 1 | Granger | \$28,000 |
| 2 | Hamilton | \$4,000 |
| 3 | Harrah | \$16,000 |
| 4 | Harrington | \$1,000 |
| 5 | Hartline | \$3,000 |
| 6 | Hatton | \$4,000 |
| 7 | Hoquiam | \$19,000 |
| 8 | Index | \$500 |
| 9 | Ione | \$2,000 |
| 10 | Kahlotus | \$6,000 |
| 11 | Kenmore | \$132,000 |
| 12 | Kettle Falls | \$4,000 |
| 13 | Kittitas | \$17,000 |
| 14 | Krupp | \$1,000 |
| 15 | Lacrosse | \$3,000 |
| 16 | Lake Forest Park | \$136,000 |
| 17 | Lake Stevens | \$5,000 |
| 18 | Lakewood | \$350,000 |
| 19 | Lamont | \$2,000 |
| 20 | Latah | \$3,000 |
| 21 | Lyman | \$3,000 |
| 22 | Mabton | \$51,000 |
| 23 | Malden | \$8,000 |
| 24 | Mansfield | \$8,000 |
| 25 | Maple Valley | \$17,000 |
| 26 | Marcus | \$3,000 |
| 27 | Mattawa | \$17,000 |
| 28 | McCleary | \$15,000 |
| 29 | Medical Lake | \$10,000 |
| 30 | Mesa | \$2,000 |
| 31 | Metaline | \$2,000 |
| 32 | Metaline Falls | \$1,000 |
| 33 | Mossyrock | \$1,000 |
| 34 | Mountlake Terrace | \$32,000 |
| 35 | Moxee | \$2,000 |
| 36 | Napavine | \$19,000 |
| 37 | Nespelem | \$6,000 |

| | | |
|----|------------------|-----------|
| 1 | Newcastle | \$2,000 |
| 2 | Nooksack | \$13,000 |
| 3 | Normandy Park | \$82,000 |
| 4 | North Bonneville | \$2,000 |
| 5 | Northport | \$7,000 |
| 6 | Oakesdale | \$3,000 |
| 7 | Oakville | \$7,000 |
| 8 | Orting | \$12,000 |
| 9 | Palouse | \$7,000 |
| 10 | Pateros | \$1,000 |
| 11 | Pe Ell | \$20,000 |
| 12 | Pomeroy | \$3,000 |
| 13 | Prescott | \$1,000 |
| 14 | Pullman | \$21,000 |
| 15 | Rainier | \$27,000 |
| 16 | Raymond | \$750 |
| 17 | Reardan | \$8,000 |
| 18 | Republic | \$1,000 |
| 19 | Riverside | \$7,000 |
| 20 | Rock Island | \$6,000 |
| 21 | Rockford | \$2,000 |
| 22 | Rosalia | \$6,000 |
| 23 | Roslyn | \$11,000 |
| 24 | Royal City | \$12,000 |
| 25 | Ruston | \$8,000 |
| 26 | Sammamish | \$320,000 |
| 27 | Shoreline | \$65,000 |
| 28 | Soap Lake | \$19,000 |
| 29 | South Bend | \$5,000 |
| 30 | South Cle Elum | \$11,000 |
| 31 | South Prairie | \$2,000 |
| 32 | Sprague | \$1,000 |
| 33 | Springdale | \$1,000 |
| 34 | Starbuck | \$3,000 |
| 35 | Steilacoom | \$19,000 |
| 36 | Tekoa | \$5,000 |
| 37 | Tenino | \$7,000 |

| | | |
|----|------------------|--------------------|
| 1 | Tieton | \$12,000 |
| 2 | Toppenish | \$63,000 |
| 3 | Uniontown | \$3,000 |
| 4 | University Place | \$306,000 |
| 5 | Vader | \$12,000 |
| 6 | Waitsburg | \$15,000 |
| 7 | Wapato | \$35,000 |
| 8 | Warden | \$10,000 |
| 9 | Washtucna | \$7,000 |
| 10 | Waterville | \$13,000 |
| 11 | Waverly | \$3,000 |
| 12 | West Richland | \$84,000 |
| 13 | White Salmon | \$1,000 |
| 14 | Wilbur | \$1,000 |
| 15 | Wilkeson | \$1,000 |
| 16 | Wilson Creek | \$3,000 |
| 17 | Yacolt | \$4,000 |
| 18 | Zillah | \$5,000 |
| 19 | TOTAL | \$3,500,000 |

(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. Includes items like 'General Fund Appropriation for fire insurance premium distributions' and 'TOTAL APPROPRIATION'.

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.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Table with 2 columns: Description of appropriation and Amount. Includes 'Impaired Driving Safety Account Appropriation'.

1 The appropriation in this section is subject to the following
2 conditions and limitations: The amount appropriated in this section
3 shall be distributed quarterly during the 2003-2005 biennium to all
4 cities ratably based on population as last determined by the office of
5 financial management. The distributions to any city that substantially
6 decriminalizes or repeals its criminal code after July 1, 1990, and
7 that does not reimburse the county for costs associated with criminal
8 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
9 which the city is located. This funding is provided to cities for the
10 costs of implementing criminal justice legislation including, but not
11 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
12 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
13 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
14 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
15 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
16 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
17 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
18 Laws of 1998 (DUI provisions).

19 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--FOR THE COUNTY**
20 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

21 Impaired Driving Safety Account Appropriation \$1,843,260

22 The appropriation in this section is subject to the following
23 conditions and limitations: The amount appropriated in this section
24 shall be distributed quarterly during the 2003-2005 biennium in
25 accordance with RCW 82.14.310. This funding is provided to counties
26 for the costs of implementing criminal justice legislation including,
27 but not limited to: Chapter 206, Laws of 1998 (drunk driving
28 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
29 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
30 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
31 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
32 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
33 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
34 215, Laws of 1998 (DUI provisions).

35 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**

| | | |
|---|--|--------------|
| 1 | FOR DISTRIBUTION | |
| 2 | General Fund Appropriation for federal grazing fees | |
| 3 | distributions | \$1,293,828 |
| 4 | General Fund Appropriation for federal flood control | |
| 5 | funds distribution | \$25,050 |
| 6 | Federal Forest Revolving Fund Appropriation for | |
| 7 | federal forest reserve fund distribution | \$83,492,373 |
| 8 | TOTAL APPROPRIATION | \$84,811,251 |

9 The total expenditures from the state treasury under the
10 appropriations in this section shall not exceed the funds available
11 under statutory distributions for the stated purposes.

12 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS**

13 For transfers in this section to the state general fund, pursuant
14 to RCW 43.135.035(5), the state expenditure limit shall be increased by
15 the amount of the transfer. The increase shall occur in the fiscal
16 year in which the transfer occurs.

| | | |
|----|--|--------------|
| 17 | General Fund: For transfer to the water | |
| 18 | quality account | \$36,651,600 |
| 19 | Water Quality Account: For transfer to the | |
| 20 | water pollution control account | \$10,500,000 |
| 21 | State Convention and Trade Center Account: | |
| 22 | For transfer to the state general fund | \$10,000,000 |
| 23 | County Sale/Use Tax Equalization Account: | |
| 24 | For transfer to the state general fund | \$74,000 |
| 25 | Financial Services Regulation Fund: For | |
| 26 | transfer to the state general fund at | |
| 27 | the beginning of fiscal year 2005 | \$1,632,000 |
| 28 | Municipal Sale/Use Tax Equalization Account: | |
| 29 | For transfer to the state general fund | \$374,000 |
| 30 | Asbestos Account: For transfer to the state | |
| 31 | general fund | \$200,000 |
| 32 | Industrial Insurance Premium Refund Account: | |
| 33 | For transfer to the state general fund | \$577,000 |
| 34 | Electrical License Account: For transfer | |
| 35 | to the state general fund | \$7,000,000 |
| 36 | Public Service Revolving Account: For transfer | |
| 37 | to the state general fund | \$1,600,000 |

1 Insurance Commissioner's Regulatory: For transfer
2 to the state general fund \$1,500,000
3 State Treasurer's Service Account: For
4 transfer to the state general fund \$10,000,000
5 Department of Retirement Systems Expense
6 Account: For transfer to the state
7 general fund \$1,500,000
8 Gambling Revolving Account: For transfer
9 to the state general fund \$1,500,000
10 Pressure Systems Safety Account: For transfer
11 to the state general fund \$500,000
12 Woodstove Education and Enforcement Account:
13 For transfer to the air pollution control account \$600,000
14 Local Toxics Control Account: For transfer
15 to the state toxics control account \$4,059,000
16 Flood Control Assistance Account: For transfer
17 to the state general fund \$2,700,000
18 Nisqually Earthquake Account--State: For
19 transfer to the state disaster response
20 account for fiscal year 2004 \$6,234,000
21 Health Services Account: For transfer to the
22 tobacco prevention and control account \$24,216,000
23 Health Services Account: For transfer to the
24 violence reduction and drug enforcement
25 account \$7,789,000
26 Health Services Account: For transfer to the
27 water quality account \$8,182,000
28 Health Services Account: For transfer to the
29 state general fund for fiscal year 2005 \$50,000,000
30 Tobacco Settlement Account: For transfer to
31 the health services account, in an amount
32 not to exceed the actual balance of the
33 tobacco settlement account \$185,000,000
34 Emergency Reserve Fund: For transfer to the
35 state general fund \$57,046,000

36 NEW SECTION. **Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**

1 **TRANSFERS**

2 General Fund--State Appropriation: For transfer to the
3 department of retirement systems expense account:
4 For the administrative expenses of the judicial
5 retirement system \$21,901

(End of part)

1 (3) Each project will be planned and designed to take optimal
2 advantage of Internet technologies and protocols. Agencies shall
3 ensure that the project is in compliance with the architecture,
4 infrastructure, principles, policies, and standards of digital
5 government as maintained by the information services board.

6 (4) The agency shall produce a feasibility study for information
7 technology projects at the direction of the information services board
8 and in accordance with published department of information services
9 policies and guidelines. At a minimum, such studies shall include a
10 statement of: (a) The purpose or impetus for change; (b) the business
11 value to the agency, including an examination and evaluation of
12 benefits, advantages, and cost; (c) a comprehensive risk assessment
13 based on the proposed project's impact on both citizens and state
14 operations, its visibility, and the consequences of doing nothing; (d)
15 the impact on agency and statewide information infrastructure; and (e)
16 the impact of the proposed enhancements to an agency's information
17 technology capabilities on meeting service delivery demands.

18 (5) The agency shall produce a comprehensive management plan for
19 each project. The plan or plans shall address all factors critical to
20 successful completion of each project. The plan(s) shall include, but
21 is not limited to, the following elements: A description of the
22 problem or opportunity that the information technology project is
23 intended to address; a statement of project objectives and assumptions;
24 a definition and schedule of phases, tasks, and activities to be
25 accomplished; and the estimated cost of each phase. The planning for
26 the phased approach shall be such that the business case justification
27 for a project needs to demonstrate how the project recovers cost or
28 adds measurable value or positive cost benefit to the agency's business
29 functions within each development cycle.

30 (6) The agency shall produce quality assurance plans for
31 information technology projects. Consistent with the direction of the
32 information services board and the published policies and guidelines of
33 the department of information services, the quality assurance plan
34 shall address all factors critical to successful completion of the
35 project and successful integration with the agency and state
36 information technology infrastructure. At a minimum, quality assurance
37 plans shall provide time and budget benchmarks against which project
38 progress can be measured, a specification of quality assurance

1 responsibilities, and a statement of reporting requirements. The
2 quality assurance plans shall set out the functionality requirements
3 for each phase of a project.

4 (7) A copy of each feasibility study, project management plan, and
5 quality assurance plan shall be provided to the department of
6 information services, the office of financial management, and
7 legislative fiscal committees. The plans and studies shall demonstrate
8 a sound business case that justifies the investment of taxpayer funds
9 on any new project, an assessment of the impact of the proposed system
10 on the existing information technology infrastructure, the disciplined
11 use of preventative measures to mitigate risk, and the leveraging of
12 private-sector expertise as needed. Authority to expend any funds for
13 individual information systems projects is conditioned on the approval
14 of the relevant feasibility study, project management plan, and quality
15 assurance plan by the department of information services and the office
16 of financial management.

17 (8) Quality assurance status reports shall be submitted to the
18 department of information services, the office of financial management,
19 and legislative fiscal committees at intervals specified in the
20 project's quality assurance plan.

21 NEW SECTION. **Sec. 903. VIDEO TELECOMMUNICATIONS.** The department
22 of information services shall act as lead agency in coordinating video
23 telecommunications services for state agencies. As lead agency, the
24 department shall develop standards and common specifications for leased
25 and purchased telecommunications equipment and assist state agencies in
26 developing a video telecommunications expenditure plan. No agency may
27 spend any portion of any appropriation in this act for new video
28 telecommunication equipment, new video telecommunication transmission,
29 or new video telecommunication programming, or for expanding current
30 video telecommunication systems without first complying with chapter
31 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
32 without first submitting a video telecommunications expenditure plan,
33 in accordance with the policies of the department of information
34 services, for review and assessment by the department of information
35 services under RCW 43.105.052. Prior to any such expenditure by a
36 public school, a video telecommunications expenditure plan shall be
37 approved by the superintendent of public instruction. The office of

1 the superintendent of public instruction shall submit the plans to the
2 department of information services in a form prescribed by the
3 department. The office of the superintendent of public instruction
4 shall coordinate the use of video telecommunications in public schools
5 by providing educational information to local school districts and
6 shall assist local school districts and educational service districts
7 in telecommunications planning and curriculum development. Prior to
8 any such expenditure by a public institution of postsecondary
9 education, a telecommunications expenditure plan shall be approved by
10 the higher education coordinating board. The higher education
11 coordinating board shall coordinate the use of video telecommunications
12 for instruction and instructional support in postsecondary education,
13 including the review and approval of instructional telecommunications
14 course offerings.

15 NEW SECTION. **Sec. 904. VOLUNTARY DEFICIT REDUCTION CONTRIBUTION**
16 **ACCOUNT.** The voluntary deficit reduction contribution account is
17 created in the state treasury. All receipts from citizens' voluntary
18 contributions, donations, gifts, bequests, grants, or other sources
19 granted or given for this account must be deposited in the account.
20 Money in the account shall be used exclusively for public purposes and
21 may be spent only after appropriation. Unless the donor has directed
22 that his or her contribution be used for a particular state program or
23 function, expenditures from the account may be used for any general
24 fund or transportation purpose.

25 NEW SECTION. **Sec. 905. PROGRAM COST SHIFTS.** Any program costs
26 or moneys in this act that are shifted to the general fund from another
27 fund or account require an adjustment to the expenditure limit under
28 RCW 43.135.035(5).

29 NEW SECTION. **Sec. 906. EMERGENCY FUND ALLOCATIONS.** Whenever
30 allocations are made from the governor's emergency fund appropriation
31 to an agency that is financed in whole or in part by other than general
32 fund moneys, the director of financial management may direct the
33 repayment of such allocated amount to the general fund from any balance
34 in the fund or funds which finance the agency. No appropriation shall
35 be necessary to effect such repayment.

1 NEW SECTION. **Sec. 907. STATUTORY APPROPRIATIONS.** In addition
2 to the amounts appropriated in this act for revenues for distribution,
3 state contributions to the law enforcement officers' and fire fighters'
4 retirement system plan 2, and bond retirement and interest including
5 ongoing bond registration and transfer charges, transfers, interest on
6 registered warrants, and certificates of indebtedness, there is also
7 appropriated such further amounts as may be required or available for
8 these purposes under any statutory formula or under chapters 39.94 and
9 39.96 RCW or any proper bond covenant made under law.

10 NEW SECTION. **Sec. 908. BOND EXPENSES.** In addition to such other
11 appropriations as are made by this act, there is hereby appropriated to
12 the state finance committee from legally available bond proceeds in the
13 applicable construction or building funds and accounts such amounts as
14 are necessary to pay the expenses incurred in the issuance and sale of
15 the subject bonds.

16 NEW SECTION. **Sec. 909. VOLUNTARY SEPARATION INCENTIVES.** As a
17 management tool to reduce costs and make more effective use of
18 resources, while improving employee productivity and morale, agencies
19 may offer voluntary separation and/or downshifting incentives and
20 options according to procedures and guidelines established by the
21 department of personnel and the department of retirement systems in
22 consultation with the office of financial management. The options may
23 include, but are not limited to, financial incentives for: Voluntary
24 resignation and retirement, voluntary leave-without-pay, voluntary
25 workweek or work hour reduction, voluntary downward movement, or
26 temporary separation for development purposes. No employee shall have
27 a contractual right to a financial incentive offered pursuant to this
28 section and employees accepting a voluntary separation incentive are
29 not eligible for unemployment compensation based on their separation
30 from state employment under Title 50 RCW.

31 Agencies shall report on the outcomes of their plans, and offers
32 shall be reviewed and monitored jointly by the department of personnel
33 and the department of retirement systems, for reporting to the office
34 of financial management by December 1, 2004.

1 NEW SECTION. **Sec. 910. VOLUNTARY RETIREMENT INCENTIVES.** It is
2 the intent of the legislature that agencies may implement a voluntary
3 retirement incentive program that is cost neutral or results in cost
4 savings provided that such a program is approved by the director of
5 retirement systems and the office of financial management. No employee
6 shall have a contractual right to a financial incentive offered
7 pursuant to this section, and employees accepting a voluntary
8 retirement incentive are not eligible for unemployment compensation
9 based on their separation from state employment under Title 50 RCW.
10 Agencies participating in this authorization are required to submit a
11 report by June 30, 2005, to the legislature and the office of financial
12 management on the outcome of their approved retirement incentive
13 program. The report should include information on the details of the
14 program including resulting service delivery changes, agency
15 efficiencies, the cost of the retirement incentive per participant, the
16 total cost to the state, and the projected or actual net dollar savings
17 over the 2003-05 biennium.

18 **Sec. 911.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to
19 read as follows:

20 There is hereby created the gambling revolving fund which shall
21 consist of all moneys receivable for licensing, penalties, forfeitures,
22 and all other moneys, income, or revenue received by the commission.
23 The state treasurer shall be custodian of the fund. All moneys
24 received by the commission or any employee thereof, except for change
25 funds and an amount of petty cash as fixed by rule or regulation of the
26 commission, shall be deposited each day in a depository approved by the
27 state treasurer and transferred to the state treasurer to be credited
28 to the gambling revolving fund. Disbursements from the revolving fund
29 shall be on authorization of the commission or a duly authorized
30 representative thereof. In order to maintain an effective expenditure
31 and revenue control the gambling revolving fund shall be subject in all
32 respects to chapter 43.88 RCW but no appropriation shall be required to
33 permit expenditures and payment of obligations from such fund. All
34 expenses relative to commission business, including but not limited to
35 salaries and expenses of the director and other commission employees
36 shall be paid from the gambling revolving fund.

1 During the ~~((2001-2003))~~ 2003-2005 fiscal biennium, the legislature
2 may transfer from the gambling revolving fund to the state general fund
3 such amounts as reflect the excess fund balance of the fund ~~((and~~
4 ~~reductions made by the 2002 supplemental appropriations act for~~
5 ~~administrative efficiencies and savings))~~.

6 **Sec. 912.** RCW 19.28.351 and 1988 c 81 s 11 are each amended to
7 read as follows:

8 All sums received from licenses, permit fees, or other sources,
9 herein shall be paid to the state treasurer and placed in a special
10 fund designated as the "electrical license fund," and ~~((by him))~~ paid
11 out upon vouchers duly and regularly issued therefor and approved by
12 the director of labor and industries or the director's designee
13 following determination by the board that the sums are necessary to
14 accomplish the intent of chapter 19.28 RCW. The treasurer shall keep
15 an accurate record of payments into, or receipts of, ~~((said))~~ the fund,
16 and of all disbursements therefrom.

17 During the 2003-2005 biennium, the legislature may transfer moneys
18 from the electrical license fund to the state general fund such amounts
19 as reflect the excess fund balance of the fund.

20 **Sec. 913.** RCW 28A.500.030 and 2002 c 317 s 4 are each amended to
21 read as follows:

22 Allocation of state matching funds to eligible districts for local
23 effort assistance shall be determined as follows:

24 (1) Funds raised by the district through maintenance and operation
25 levies shall be matched with state funds using the following ratio of
26 state funds to levy funds:

27 (a) The difference between the district's twelve percent levy rate
28 and the statewide average twelve percent levy rate; to

29 (b) The statewide average twelve percent levy rate.

30 (2) The maximum amount of state matching funds for districts
31 eligible for local effort assistance shall be the district's twelve
32 percent levy amount, multiplied by the following percentage:

33 (a) The difference between the district's twelve percent levy rate
34 and the statewide average twelve percent levy rate; divided by

35 (b) The district's twelve percent levy rate.

1 (3) Calendar year 2003 allocations and maximum eligibility under
2 this chapter shall be multiplied by 0.99.

3 (4) From January 1, 2004, to June 30, 2005, allocations and maximum
4 eligibility under this chapter shall be multiplied by 0.937.

5 **Sec. 914.** RCW 36.18.010 and 2002 c 294 s 3 are each amended to
6 read as follows:

7 County auditors or recording officers shall collect the following
8 fees for their official services:

9 For recording instruments, for the first page eight and one-half by
10 fourteen inches or less, five dollars; for each additional page eight
11 and one-half by fourteen inches or less, one dollar. The fee for
12 recording multiple transactions contained in one instrument will be
13 calculated for each transaction requiring separate indexing as required
14 under RCW 65.04.050 as follows: The fee for each title or transaction
15 is the same fee as the first page of any additional recorded document;
16 the fee for additional pages is the same fee as for any additional
17 pages for any recorded document; the fee for the additional pages may
18 be collected only once and may not be collected for each title or
19 transaction;

20 For preparing and certifying copies, for the first page eight and
21 one-half by fourteen inches or less, three dollars; for each additional
22 page eight and one-half by fourteen inches or less, one dollar;

23 For preparing noncertified copies, for each page eight and one-half
24 by fourteen inches or less, one dollar;

25 For administering an oath or taking an affidavit, with or without
26 seal, two dollars;

27 For issuing a marriage license, eight dollars, (this fee includes
28 taking necessary affidavits, filing returns, indexing, and transmittal
29 of a record of the marriage to the state registrar of vital statistics)
30 plus an additional (~~five~~) fifteen-dollar fee for use and support of
31 the prevention of child abuse and neglect activities to be transmitted
32 monthly to the state treasurer and deposited in the state general fund
33 plus an additional ten-dollar fee to be transmitted monthly to the
34 state treasurer and deposited in the state general fund. The
35 legislature intends to appropriate an amount at least equal to the
36 revenue generated by this fee for the purposes of the displaced
37 homemaker act, chapter 28B.04 RCW;

1 For searching records per hour, eight dollars;

2 For recording plats, fifty cents for each lot except cemetery plats
3 for which the charge shall be twenty-five cents per lot; also one
4 dollar for each acknowledgment, dedication, and description: PROVIDED,
5 That there shall be a minimum fee of twenty-five dollars per plat;

6 For recording of miscellaneous records not listed above, for the
7 first page eight and one-half by fourteen inches or less, five dollars;
8 for each additional page eight and one-half by fourteen inches or less,
9 one dollar;

10 For modernization and improvement of the recording and indexing
11 system, a surcharge as provided in RCW 36.22.170.

12 For recording an emergency nonstandard document as provided in RCW
13 65.04.047, fifty dollars, in addition to all other applicable recording
14 fees.

15 For recording instruments, a surcharge as provided in RCW
16 36.22.178.

17 **Sec. 915.** RCW 38.52.106 and 2002 c 371 s 904 are each amended to
18 read as follows:

19 The Nisqually earthquake account is created in the state treasury.
20 Moneys may be placed in the account from tax revenues, budget transfers
21 or appropriations, federal appropriations, gifts, or any other lawful
22 source. Moneys in the account may be spent only after appropriation.
23 Moneys in the account shall be used only to support state and local
24 government disaster response and recovery efforts associated with the
25 Nisqually earthquake. During the ~~((2001-))~~ 2003-2005 fiscal biennium,
26 the legislature may transfer moneys from the Nisqually earthquake
27 account to the disaster response account for fire suppression and
28 mobilization costs ~~((, and costs associated with national security
29 preparedness activities))~~.

30 **Sec. 916.** RCW 41.50.110 and 1998 c 341 s 508 are each amended to
31 read as follows:

32 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
33 section, all expenses of the administration of the department and the
34 expenses of administration of the retirement systems created in
35 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, and 43.43 RCW
36 shall be paid from the department of retirement systems expense fund.

1 (2) In order to reimburse the department of retirement systems
2 expense fund on an equitable basis the department shall ascertain and
3 report to each employer, as defined in RCW 41.26.030, 41.32.010,
4 41.35.010, or 41.40.010, the sum necessary to defray its proportional
5 share of the entire expense of the administration of the retirement
6 system that the employer participates in during the ensuing biennium or
7 fiscal year whichever may be required. Such sum is to be computed in
8 an amount directly proportional to the estimated entire expense of the
9 administration as the ratio of monthly salaries of the employer's
10 members bears to the total salaries of all members in the entire
11 system. It shall then be the duty of all such employers to include in
12 their budgets or otherwise provide the amounts so required.

13 (3) The department shall compute and bill each employer, as defined
14 in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of
15 each month for the amount due for that month to the department of
16 retirement systems expense fund and the same shall be paid as are its
17 other obligations. Such computation as to each employer shall be made
18 on a percentage rate of salary established by the department. However,
19 the department may at its discretion establish a system of billing
20 based upon calendar year quarters in which event the said billing shall
21 be at the end of each such quarter.

22 (4) The director may adjust the expense fund contribution rate for
23 each system at any time when necessary to reflect unanticipated costs
24 or savings in administering the department.

25 (5) An employer who fails to submit timely and accurate reports to
26 the department may be assessed an additional fee related to the
27 increased costs incurred by the department in processing the deficient
28 reports. Fees paid under this subsection shall be deposited in the
29 retirement system expense fund.

30 (a) Every six months the department shall determine the amount of
31 an employer's fee by reviewing the timeliness and accuracy of the
32 reports submitted by the employer in the preceding six months. If
33 those reports were not both timely and accurate the department may
34 prospectively assess an additional fee under this subsection.

35 (b) An additional fee assessed by the department under this
36 subsection shall not exceed fifty percent of the standard fee.

37 (c) The department shall adopt rules implementing this section.

1 (6) Expenses other than those under RCW 41.34.060(~~((2))~~) (3) shall
2 be paid pursuant to subsection (1) of this section.

3 (7) During the 2003-2005 fiscal biennium, the legislature may
4 transfer from the department of retirement systems' expense fund to the
5 state general fund such amounts as reflect the excess fund balance of
6 the fund.

7 **Sec. 917.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended
8 to read as follows:

9 There is hereby created a fund within the state treasury to be
10 known as the "state treasurer's service fund". Such fund shall be used
11 solely for the payment of costs and expenses incurred in the operation
12 and administration of the state treasurer's office.

13 Moneys shall be allocated monthly and placed in the state
14 treasurer's service fund equivalent to a maximum of one percent of the
15 trust and treasury average daily cash balances from the earnings
16 generated under the authority of RCW 43.79A.040 and 43.84.080 other
17 than earnings generated from investment of balances in funds and
18 accounts specified in RCW 43.79.040(~~((2)(b))~~) or 43.84.092(~~((2)(b))~~)
19 (4)(b). The allocation shall precede the distribution of the remaining
20 earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state
21 treasurer shall establish a uniform allocation rate based on the
22 appropriations for the treasurer's office.

23 During the 2003-2005 fiscal biennium, the legislature may transfer
24 from the state treasurer's service fund to the state general fund such
25 amounts as reflect the excess fund balance of the fund.

26 **Sec. 918.** RCW 43.03.050 and 1990 c 30 s 1 are each amended to read
27 as follows:

28 (1) The director of financial management shall prescribe reasonable
29 allowances to cover reasonable and necessary subsistence and lodging
30 expenses for elective and appointive officials and state employees
31 while engaged on official business away from their designated posts of
32 duty. The director of financial management may prescribe and regulate
33 the allowances provided in lieu of subsistence and lodging expenses and
34 may prescribe the conditions under which reimbursement for subsistence
35 and lodging may be allowed. The schedule of allowances adopted by the
36 office of financial management may include special allowances for

1 foreign travel and other travel involving higher than usual costs for
2 subsistence and lodging. The allowances established by the director
3 shall not exceed the rates set by the federal government for federal
4 employees. However, during the 2003-05 fiscal biennium, the allowances
5 for any county that is part of a metropolitan statistical area, the
6 largest city of which is in another state, shall equal the allowances
7 prescribed for that larger city.

8 (2) Those persons appointed to serve without compensation on any
9 state board, commission, or committee, if entitled to payment of
10 travel expenses, shall be paid pursuant to special per diem rates
11 prescribed in accordance with subsection (1) of this section by the
12 office of financial management.

13 (3) The director of financial management may prescribe reasonable
14 allowances to cover reasonable expenses for meals, coffee, and light
15 refreshment served to elective and appointive officials and state
16 employees regardless of travel status at a meeting where: (a) The
17 purpose of the meeting is to conduct official state business or to
18 provide formal training to state employees or state officials; (b) the
19 meals, coffee, or light refreshment are an integral part of the meeting
20 or training session; (c) the meeting or training session takes place
21 away from the employee's or official's regular workplace; and (d) the
22 agency head or authorized designee approves payments in advance for the
23 meals, coffee, or light refreshment. In order to prevent abuse, the
24 director may regulate such allowances and prescribe additional
25 conditions for claiming the allowances.

26 (4) Upon approval of the agency head or authorized designee, an
27 agency may serve coffee or light refreshments at a meeting where: (a)
28 The purpose of the meeting is to conduct state business or to provide
29 formal training that benefits the state; and (b) the coffee or light
30 refreshment is an integral part of the meeting or training session.
31 The director of financial management shall adopt requirements necessary
32 to prohibit abuse of the authority authorized in this subsection.

33 (5) The schedule of allowances prescribed by the director under the
34 terms of this section and any subsequent increases in any maximum
35 allowance or special allowances for areas of higher than usual costs
36 shall be reported to the ways and means committees of the house of
37 representatives and the senate at each regular session of the
38 legislature.

1 **Sec. 919.** RCW 43.10.180 and 1979 c 151 s 95 are each amended to
2 read as follows:

3 (1) The attorney general shall keep such records as are necessary
4 to facilitate proper allocation of costs to funds and agencies served
5 and the director of financial management shall prescribe appropriate
6 accounting procedures to accurately allocate costs to funds and
7 agencies served. Billings shall be adjusted in line with actual costs
8 incurred at intervals not to exceed six months.

9 (2) During the 2003-05 fiscal biennium, all expenses for
10 administration of the office of the attorney general shall be allocated
11 to and paid from the legal services revolving fund in accordance with
12 accounting procedures prescribed by the director of financial
13 management.

14 **Sec. 920.** RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c
15 289 s 4 are each reenacted and amended to read as follows:

16 The money received by the state treasurer from fees, fines,
17 forfeitures, penalties, reimbursements or assessments by any court
18 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
19 deposited in the public safety and education account which is hereby
20 created in the state treasury. The legislature shall appropriate the
21 funds in the account to promote traffic safety education, highway
22 safety, criminal justice training, crime victims' compensation,
23 judicial education, the judicial information system, civil
24 representation of indigent persons, winter recreation parking, drug
25 court operations, and state game programs. During the fiscal biennium
26 ending June 30, (~~2003~~) 2005, the legislature may appropriate moneys
27 from the public safety and education account for purposes of appellate
28 indigent defense and other operations of the office of public defense,
29 the criminal litigation unit of the attorney general's office, the
30 treatment alternatives to street crimes program, crime victims advocacy
31 programs, justice information network telecommunication planning,
32 treatment for supplemental security income clients, sexual assault
33 treatment, operations of the office of administrator for the courts,
34 security in the common schools, alternative school start-up grants,
35 programs for disruptive students, criminal justice data collection,
36 Washington state patrol criminal justice activities, drug court
37 operations, unified family courts, local court backlog assistance,

1 financial assistance to local jurisdictions for extraordinary costs
2 incurred in the adjudication of criminal cases, domestic violence
3 treatment and related services, the department of corrections' costs in
4 implementing chapter 196, Laws of 1999, reimbursement of local
5 governments for costs associated with implementing criminal and civil
6 justice legislation, the replacement of the department of corrections'
7 offender-based tracking system, public notification about registered
8 sex offenders, the family policy council, crisis residential centers or
9 secure crisis residential centers, payments to school districts for
10 truancy petitions, payments to superior courts for truancy, child-in-
11 need-of-services or at-risk youth petitions, and narcotics or
12 methamphetamine-related enforcement, education, training, and drug and
13 alcohol treatment services.

14 **Sec. 921.** RCW 43.43.944 and 1999 c 117 s 2 are each amended to
15 read as follows:

16 (1) The fire service training account is hereby established in the
17 state treasury. The fund shall consist of:

18 (a) All fees received by the Washington state patrol for fire
19 service training;

20 (b) All grants and bequests accepted by the Washington state patrol
21 under RCW 43.43.940; and

22 (c) Twenty percent of all moneys received by the state on fire
23 insurance premiums.

24 (2) Moneys in the account may be appropriated only for fire service
25 training. During the 2003-2005 fiscal biennium, the legislature may
26 appropriate funds from this account for school fire prevention
27 activities within the Washington state patrol.

28 **Sec. 922.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
29 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
30 follows:

31 (1) The emergency reserve fund is established in the state
32 treasury. During each fiscal year, the state treasurer shall deposit
33 in the emergency reserve fund all general fund--state revenues in
34 excess of the state expenditure limit for that fiscal year. Deposits
35 shall be made at the end of each fiscal quarter based on projections of
36 state revenues and the state expenditure limit. The treasurer shall

1 make transfers between these accounts as necessary to reconcile actual
2 annual revenues and the expenditure limit for fiscal year 2000 and
3 thereafter.

4 (2) The legislature may appropriate moneys from the emergency
5 reserve fund only with approval of at least two-thirds of the members
6 of each house of the legislature, and then only if the appropriation
7 does not cause total expenditures to exceed the state expenditure limit
8 under this chapter.

9 (3) The emergency reserve fund balance shall not exceed five
10 percent of annual general fund--state revenues as projected by the
11 official state revenue forecast. Any balance in excess of five percent
12 shall be transferred on a quarterly basis by the state treasurer as
13 follows: Seventy-five percent to the student achievement fund hereby
14 created in the state treasury and twenty-five percent to the general
15 fund balance. The treasurer shall make transfers between these
16 accounts as necessary to reconcile actual annual revenues for fiscal
17 year 2000 and thereafter. When per-student state funding for the
18 maintenance and operation of K-12 education meets a level of no less
19 than ninety percent of the national average of total funding from all
20 sources per student as determined by the most recent published data
21 from the national center for education statistics of the United States
22 department of education, as calculated by the office of financial
23 management, further deposits to the student achievement fund shall be
24 required only to the extent necessary to maintain the ninety-percent
25 level. Remaining funds are part of the general fund balance and these
26 funds are subject to the expenditure limits of this chapter.

27 (4) The education construction fund is hereby created in the state
28 treasury.

29 (a) Funds may be appropriated from the education construction fund
30 exclusively for common school construction or higher education
31 construction.

32 (b) Funds may be appropriated for any other purpose only if
33 approved by a two-thirds vote of each house of the legislature and if
34 approved by a vote of the people at the next general election. An
35 appropriation approved by the people under this subsection shall result
36 in an adjustment to the state expenditure limit only for the fiscal
37 period for which the appropriation is made and shall not affect any
38 subsequent fiscal period.

1 (5) Funds from the student achievement fund shall be appropriated
2 to the superintendent of public instruction strictly for distribution
3 to school districts to meet the provisions set out in the student
4 achievement act. Allocations shall be made on an equal per full-time
5 equivalent student basis to each school district.

6 (6) Earnings of the emergency reserve fund under RCW
7 43.84.092(4)(a) shall be transferred quarterly to the multimodal
8 transportation account, except for those earnings that are in excess of
9 thirty-five million dollars each fiscal year. Within thirty days
10 following any fiscal year in which earnings transferred to the
11 multimodal transportation account under this subsection did not total
12 thirty-five million dollars, the state treasurer shall transfer from
13 the emergency reserve fund an amount necessary to bring the total
14 deposited in the multimodal transportation account under this
15 subsection to thirty-five million dollars. The revenues to the
16 multimodal transportation account reflected in this subsection provide
17 ongoing support for the transportation programs of the state. However,
18 it is the intent of the legislature that any new long-term financial
19 support that may be subsequently provided for transportation programs
20 will be used to replace and supplant the revenues reflected in this
21 subsection, thereby allowing those revenues to be returned to the
22 purposes to which they were previously dedicated. No transfers from
23 the emergency reserve fund to the multimodal transportation account
24 shall be made during the 2003-05 fiscal biennium.

25 **Sec. 923.** RCW 43.320.110 and 2002 c 371 s 912 are each amended to
26 read as follows:

27 There is created a local fund known as the "financial services
28 regulation fund" which shall consist of all moneys received by the
29 divisions of the department of financial institutions, except for the
30 division of securities which shall deposit thirteen percent of all
31 moneys received, and which shall be used for the purchase of supplies
32 and necessary equipment; the payment of salaries, wages, and utilities;
33 the establishment of reserves; and other incidental costs required for
34 the proper regulation of individuals and entities subject to regulation
35 by the department. The state treasurer shall be the custodian of the
36 fund. Disbursements from the fund shall be on authorization of the
37 director of financial institutions or the director's designee. In

1 order to maintain an effective expenditure and revenue control, the
2 fund shall be subject in all respects to chapter 43.88 RCW, but no
3 appropriation is required to permit expenditures and payment of
4 obligations from the fund.

5 ~~((Between July 1, 2001, and December 31, 2001, the legislature may
6 transfer up to two million dollars from the financial services
7 regulation fund to the digital government revolving account.))~~ During
8 the ~~((2001-))~~ 2003-2005 fiscal biennium, the legislature may transfer
9 from the financial services regulation fund to the state general fund
10 such amounts as reflect the excess fund balance of the fund and
11 appropriations reductions made by the ~~((2002—supplemental))~~
12 appropriations act for administrative efficiencies and savings.

13 **Sec. 924.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
14 read as follows:

15 (1) From time to time, but at least once each year, the state
16 treasurer shall refund from the motor vehicle fund one percent of the
17 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
18 based on the tax rate in effect January 1, 1990, less proper deductions
19 for refunds and costs of collection as provided in RCW 46.68.090. The
20 treasurer shall place these funds in the general fund as follows:

21 (a) Forty percent shall be credited to the ORV and nonhighway
22 vehicle account and administered by the department of natural resources
23 solely for planning, maintenance, and management of ORV recreation
24 facilities, nonhighway roads, and nonhighway road recreation
25 facilities. The funds under this subsection shall be expended in
26 accordance with the following limitations:

27 (i) Not more than five percent may be expended for information
28 programs under this chapter;

29 (ii) Not less than ten percent and not more than fifty percent may
30 be expended for ORV recreation facilities;

31 (iii) Not more than twenty-five percent may be expended for
32 maintenance of nonhighway roads;

33 (iv) Not more than fifty percent may be expended for nonhighway
34 road recreation facilities;

35 (v) Ten percent shall be transferred to the interagency committee
36 for outdoor recreation for grants to law enforcement agencies in those
37 counties where the department of natural resources maintains ORV

1 facilities. This amount is in addition to those distributions made by
2 the interagency committee for outdoor recreation under (d)(i) of this
3 subsection;

4 (b) Three and one-half percent shall be credited to the ORV and
5 nonhighway vehicle account and administered by the department of fish
6 and wildlife solely for the acquisition, planning, development,
7 maintenance, and management of nonhighway roads and recreation
8 facilities;

9 (c) Two percent shall be credited to the ORV and nonhighway vehicle
10 account and administered by the parks and recreation commission solely
11 for the maintenance and management of ORV use areas and facilities; and

12 (d) Fifty-four and one-half percent, together with the funds
13 received by the interagency committee for outdoor recreation under RCW
14 46.09.110, shall be credited to the nonhighway and off-road vehicle
15 activities program account to be administered by the committee for
16 planning, acquisition, development, maintenance, and management of ORV
17 recreation facilities and nonhighway road recreation facilities; ORV
18 user education and information; and ORV law enforcement programs. The
19 funds under this subsection shall be expended in accordance with the
20 following limitations:

21 (i) Not more than twenty percent may be expended for ORV education,
22 information, and law enforcement programs under this chapter;

23 (ii) Not less than an amount equal to the funds received by the
24 interagency committee for outdoor recreation under RCW 46.09.110 and
25 not more than sixty percent may be expended for ORV recreation
26 facilities;

27 (iii) Not more than twenty percent may be expended for nonhighway
28 road recreation facilities.

29 (2) On a yearly basis an agency may not, except as provided in RCW
30 46.09.110, expend more than ten percent of the funds it receives under
31 this chapter for general administration expenses incurred in carrying
32 out this chapter.

33 (3) During the 2003-05 fiscal biennium, the legislature may
34 appropriate such amounts as reflect the excess fund balance in the ORV
35 account to the interagency committee for outdoor recreation, the
36 department of natural resources, the department of fish and wildlife,
37 and the state parks and recreation commission. This appropriation is

1 not required to follow the specific distribution specified in
2 subsection (1) of this section.

3 **Sec. 925.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to
4 read as follows:

5 (1) As used in this section:

6 (a) "Organization" means every insurer, as defined in RCW
7 48.01.050, having a certificate of authority to do business in this
8 state and every health care service contractor registered to do
9 business in this state. "Class one" organizations shall consist of all
10 insurers as defined in RCW 48.01.050. "Class two" organizations shall
11 consist of all organizations registered under provisions of chapter
12 48.44 RCW.

13 (b) "Receipts" means (i) net direct premiums consisting of direct
14 gross premiums, as defined in RCW 48.18.170, paid for insurance written
15 or renewed upon risks or property resident, situated, or to be
16 performed in this state, less return premiums and premiums on policies
17 not taken, dividends paid or credited to policyholders on direct
18 business, and premiums received from policies or contracts issued in
19 connection with qualified plans as defined in RCW 48.14.021, and (ii)
20 prepayments to health care service contractors as set forth in RCW
21 48.44.010(3) less experience rating credits, dividends, prepayments
22 returned to subscribers, and payments for contracts not taken.

23 (2) The annual cost of operating the office of insurance
24 commissioner shall be determined by legislative appropriation. A pro
25 rata share of the cost shall be charged to all organizations. Each
26 class of organization shall contribute sufficient in fees to the
27 insurance commissioner's regulatory account to pay the reasonable
28 costs, including overhead, of regulating that class of organization.

29 (3) Fees charged shall be calculated separately for each class of
30 organization. The fee charged each organization shall be that portion
31 of the cost of operating the insurance commissioner's office, for that
32 class of organization, for the ensuing fiscal year that is represented
33 by the organization's portion of the receipts collected or received by
34 all organizations within that class on business in this state during
35 the previous calendar year: PROVIDED, That the fee shall not exceed
36 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
37 minimum fee shall be one thousand dollars.

1 (4) The commissioner shall annually, on or before June 1, calculate
2 and bill each organization for the amount of its fee. Fees shall be
3 due and payable no later than June 15 of each year: PROVIDED, That if
4 the necessary financial records are not available or if the amount of
5 the legislative appropriation is not determined in time to carry out
6 such calculations and bill such fees within the time specified, the
7 commissioner may use the fee factors for the prior year as the basis
8 for the fees and, if necessary, the commissioner may impose
9 supplemental fees to fully and properly charge the organizations. The
10 penalties for failure to pay fees when due shall be the same as the
11 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
12 required by this section are in addition to all other taxes and fees
13 now imposed or that may be subsequently imposed.

14 (5) All moneys collected shall be deposited in the insurance
15 commissioner's regulatory account in the state treasury which is hereby
16 created.

17 (6) Unexpended funds in the insurance commissioner's regulatory
18 account at the close of a fiscal year shall be carried forward in the
19 insurance commissioner's regulatory account to the succeeding fiscal
20 year and shall be used to reduce future fees. During the ((2001-2003))
21 2003-2005 fiscal biennium, the legislature may transfer from the
22 insurance commissioner's regulatory account to the state general fund
23 such amounts as reflect excess fund balance in the account.

24 **Sec. 926.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to
25 read as follows:

26 (1) The department shall administer this chapter.

27 (2) The director of the department shall adopt, in accordance with
28 chapters 34.05 and 49.17 RCW, rules necessary to carry out this
29 chapter.

30 (3) The department shall prescribe fees for the issuance and
31 renewal of certificates, including recertification, and the
32 administration of examinations, and for the review of training courses.

33 (4) The asbestos account is hereby established in the state
34 treasury. All fees collected under this chapter shall be deposited in
35 the account. Moneys in the account shall be spent after appropriation
36 only for costs incurred by the department in the administration and

1 enforcement of this chapter. Disbursements from the account shall be
2 on authorization of the director of the department or the director's
3 designee.

4 (5) During the 2003-2005 fiscal biennium, the legislature may
5 transfer from the asbestos account to the state general fund such
6 amounts as reflect the excess fund balance in the account.

7 **Sec. 927.** RCW 50.16.010 and 2002 c 371 s 914 are each amended to
8 read as follows:

9 There shall be maintained as special funds, separate and apart from
10 all public moneys or funds of this state an unemployment compensation
11 fund, an administrative contingency fund, and a federal interest
12 payment fund, which shall be administered by the commissioner
13 exclusively for the purposes of this title, and to which RCW 43.01.050
14 shall not be applicable.

15 The unemployment compensation fund shall consist of

16 (1) all contributions and payments in lieu of contributions
17 collected pursuant to the provisions of this title,

18 (2) any property or securities acquired through the use of moneys
19 belonging to the fund,

20 (3) all earnings of such property or securities,

21 (4) any moneys received from the federal unemployment account in
22 the unemployment trust fund in accordance with Title XII of the social
23 security act, as amended,

24 (5) all money recovered on official bonds for losses sustained by
25 the fund,

26 (6) all money credited to this state's account in the unemployment
27 trust fund pursuant to section 903 of the social security act, as
28 amended,

29 (7) all money received from the federal government as reimbursement
30 pursuant to section 204 of the federal-state extended compensation act
31 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

32 (8) all moneys received for the fund from any other source.

33 All moneys in the unemployment compensation fund shall be
34 commingled and undivided.

35 The administrative contingency fund shall consist of all interest
36 on delinquent contributions collected pursuant to this title, all fines
37 and penalties collected pursuant to the provisions of this title, all

1 sums recovered on official bonds for losses sustained by the fund, and
2 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
3 forfeitures and penalties collected or assessed by a district court
4 because of the violation of a state law shall be remitted as provided
5 in chapter 3.62 RCW as now exists or is later amended.

6 Moneys available in the administrative contingency fund, other than
7 money in the special account created under RCW 50.24.014, shall be
8 expended upon the direction of the commissioner, with the approval of
9 the governor, whenever it appears to him or her that such expenditure
10 is necessary for:

11 (a) The proper administration of this title and no federal funds
12 are available for the specific purpose to which such expenditure is to
13 be made, provided, the moneys are not substituted for appropriations
14 from federal funds which, in the absence of such moneys, would be made
15 available.

16 (b) The proper administration of this title for which purpose
17 appropriations from federal funds have been requested but not yet
18 received, provided, the administrative contingency fund will be
19 reimbursed upon receipt of the requested federal appropriation.

20 (c) The proper administration of this title for which compliance
21 and audit issues have been identified that establish federal claims
22 requiring the expenditure of state resources in resolution. Claims
23 must be resolved in the following priority: First priority is to
24 provide services to eligible participants within the state; second
25 priority is to provide substitute services or program support; and last
26 priority is the direct payment of funds to the federal government.

27 (d) During the ~~((2001-))~~2003-2005 fiscal biennium, the cost of
28 ~~((worker retraining programs))~~ the job skills program and the alliance
29 for corporate education at community and technical colleges as
30 appropriated by the legislature.

31 Money in the special account created under RCW 50.24.014 may only
32 be expended, after appropriation, for the purposes specified in RCW
33 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
34 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

35 **Sec. 928.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to
36 read as follows:

37 The industrial insurance premium refund account is created in the

1 custody of the state treasurer. All industrial insurance refunds
2 earned by state agencies or institutions of higher education under the
3 state fund retrospective rating program shall be deposited into the
4 account. The account is subject to the allotment procedures under
5 chapter 43.88 RCW, but no appropriation is required for expenditures
6 from the account. Only the executive head of the agency or institution
7 of higher education, or designee, may authorize expenditures from the
8 account. No agency or institution of higher education may make an
9 expenditure from the account for an amount greater than the refund
10 earned by the agency. If the agency or institution of higher education
11 has staff dedicated to workers' compensation claims management,
12 expenditures from the account must be used to pay for that staff, but
13 additional expenditure from the account may be used for any program
14 within an agency or institution of higher education that promotes or
15 provides incentives for employee workplace safety and health and early,
16 appropriate return-to-work for injured employees. During the ((2001-
17 2003)) 2003-2005 fiscal biennium, the legislature may transfer from the
18 industrial insurance premium refund account to the state general fund
19 such amounts as reflect the ((~~reductions made by the 2002 supplemental~~
20 ~~appropriations act for administrative efficiencies and savings~~)) excess
21 fund balance of the account.

22 **Sec. 929.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to
23 read as follows:

24 (1) The proceeds from the sale of the bonds authorized in RCW
25 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
26 67.40.130, and all other moneys received by the state convention and
27 trade center from any public or private source which are intended to
28 fund the acquisition, design, construction, expansion, exterior cleanup
29 and repair of the Eagles building, conversion of various retail and
30 other space to meeting rooms, purchase of the land and building known
31 as the McKay Parcel, development of low-income housing, or renovation
32 of the center, and those expenditures authorized under RCW 67.40.170
33 shall be deposited in the state convention and trade center account
34 hereby created in the state treasury and in such subaccounts as are
35 deemed appropriate by the directors of the corporation.

36 (2) Moneys in the account, including unanticipated revenues under

1 RCW 43.79.270, shall be used exclusively for the following purposes in
2 the following priority:

3 (a) For reimbursement of the state general fund under RCW
4 67.40.060;

5 (b) After appropriation by statute:

6 (i) For payment of expenses incurred in the issuance and sale of
7 the bonds issued under RCW 67.40.030;

8 (ii) For expenditures authorized in RCW 67.40.170;

9 (iii) For acquisition, design, and construction of the state
10 convention and trade center; and

11 (iv) For reimbursement of any expenditures from the state general
12 fund in support of the state convention and trade center; and

13 (c) For transfer to the state convention and trade center
14 operations account.

15 (3) The corporation shall identify with specificity those
16 facilities of the state convention and trade center that are to be
17 financed with proceeds of general obligation bonds, the interest on
18 which is intended to be excluded from gross income for federal income
19 tax purposes. The corporation shall not permit the extent or manner of
20 private business use of those bond-financed facilities to be
21 inconsistent with treatment of such bonds as governmental bonds under
22 applicable provisions of the Internal Revenue Code of 1986, as amended.

23 (4) In order to ensure consistent treatment of bonds authorized
24 under RCW 67.40.030 with applicable provisions of the Internal Revenue
25 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment
26 earnings on bond proceeds deposited in the state convention and trade
27 center account in the state treasury shall be retained in the account,
28 and shall be expended by the corporation for the purposes authorized
29 under chapter 386, Laws of 1995 and in a manner consistent with
30 applicable provisions of the Internal Revenue Code of 1986, as amended.

31 (5) During the 2003-2005 fiscal biennium, the legislature may
32 transfer from the state convention and trade center account to the
33 state general fund such amounts as reflect the excess fund balance of
34 the account.

35 **Sec. 930.** RCW 69.50.520 and 2002 c 371 s 920 are each amended to
36 read as follows:

37 The violence reduction and drug enforcement account is created in

1 the state treasury. All designated receipts from RCW 9.41.110(8),
2 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
3 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
4 shall be deposited into the account. Expenditures from the account may
5 be used only for funding services and programs under chapter 271, Laws
6 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
7 incarceration costs. Funds from the account may also be appropriated
8 to reimburse local governments for costs associated with implementing
9 criminal justice legislation including chapter 338, Laws of 1997.
10 During the ((2001-))2003-2005 biennium, funds from the account may also
11 be used for costs associated with providing grants to local governments
12 in accordance with chapter 338, Laws of 1997, the replacement of the
13 department of corrections' offender-based tracking system, maintenance
14 and operating costs of the Washington association of sheriffs and
15 police chiefs jail reporting system, civil indigent legal
16 representation, drug treatment costs for offenders, and for
17 multijurisdictional narcotics task forces. After July 1, 2003, at
18 least seven and one-half percent of expenditures from the account shall
19 be used for providing grants to community networks under chapter 70.190
20 RCW by the family policy council.

21 **Sec. 931.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to
22 read as follows:

23 The chief inspector shall give an official receipt for all fees
24 required by chapter 70.79 RCW and shall transfer all sums so received
25 to the treasurer of the state of Washington as ex officio custodian
26 thereof and ((by him, as such custodian,)) the treasurer shall place
27 ((said)) all sums in a special fund hereby created and designated as
28 the "pressure systems safety fund". ((Said)) Funds ((by him)) shall be
29 paid out upon vouchers duly and regularly issued therefor and approved
30 by the director of the department of labor and industries. The
31 treasurer, as ex officio custodian of ((said)) the fund, shall keep an
32 accurate record of any payments into ((said)) the fund, and of all
33 disbursements therefrom. ((Said)) The fund shall be used exclusively
34 to defray only the expenses of administering chapter 70.79 RCW by the
35 chief inspector as authorized by law and the expenses incident to the
36 maintenance of ((his)) the office. The fund shall be charged with its

1 pro rata share of the cost of administering (~~said~~) the fund which is
2 to be determined by the director of financial management and by the
3 director of the department of labor and industries.

4 During the 2003-2005 fiscal biennium, the legislature may transfer
5 from the pressure systems safety fund to the state general fund such
6 amounts as reflect the excess fund balance of the fund.

7 **Sec. 932.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to
8 read as follows:

9 (1) The water quality account is hereby created in the state
10 treasury. Moneys in the account may be used only in a manner
11 consistent with this chapter. Moneys deposited in the account shall be
12 administered by the department of ecology and shall be subject to
13 legislative appropriation. Moneys placed in the account shall include
14 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
15 principal and interest from the repayment of any loans granted pursuant
16 to this chapter, and any other moneys appropriated to the account by
17 the legislature.

18 (2) The department may use or permit the use of any moneys in the
19 account to make grants or loans to public bodies, including grants to
20 public bodies as cost-sharing moneys in any case where federal, local,
21 or other funds are made available on a cost-sharing basis, for water
22 pollution control facilities and activities, or for purposes of
23 assisting a public body to obtain an ownership interest in water
24 pollution control facilities and/or to defray a part of the payments
25 made by a public body to a service provider under a service agreement
26 entered into pursuant to RCW 70.150.060, within the purposes of this
27 chapter and for related administrative expenses. For the period July
28 1, (~~2001~~) 2003, to June 30, (~~2003~~) 2005, moneys in the account may
29 be used to process applications received by the department that seek to
30 make changes to or transfer existing water rights and for grants and
31 technical assistance to public bodies for watershed planning under
32 chapter 90.82 RCW. No more than three percent of the moneys deposited
33 in the account may be used by the department to pay for the
34 administration of the grant and loan program authorized by this
35 chapter.

36 (3) Beginning with the biennium ending June 30, 1997, the
37 department shall present a biennial progress report on the use of

1 moneys from the account to the chairs of the senate committee on ways
2 and means and the house of representatives committee on appropriations.
3 The first report is due June 30, 1996, and the report for each
4 succeeding biennium is due December 31 of the odd-numbered year. The
5 report shall consist of a list of each recipient, project description,
6 and amount of the grant, loan, or both.

7 **Sec. 933.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to
8 read as follows:

9 There is created in the state treasury a public service revolving
10 fund. Regulatory fees payable by all types of public service companies
11 shall be deposited to the credit of the public service revolving fund.
12 Except for expenses payable out of the pipeline safety account, all
13 expense of operation of the Washington utilities and transportation
14 commission shall be payable out of the public service revolving fund.

15 During the (~~(2001-2003)~~) 2003-2005 fiscal biennium, the legislature
16 may transfer from the public service revolving fund to the state
17 general fund such amounts as reflect the (~~(appropriations reductions~~
18 ~~made by the 2002 supplemental appropriations act for administrative~~
19 ~~efficiencies and savings)~~) excess fund balance of the fund.

20 **Sec. 934.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to
21 read as follows:

22 There is created in the state treasury a special account to be
23 known as the "county sales and use tax equalization account." Into
24 this account shall be placed a portion of all motor vehicle excise tax
25 receipts as provided in RCW 82.44.110. Funds in this account shall be
26 allocated by the state treasurer according to the following procedure:

27 (1) Prior to April 1st of each year the director of revenue shall
28 inform the state treasurer of the total and the per capita levels of
29 revenues for the unincorporated area of each county and the statewide
30 weighted average per capita level of revenues for the unincorporated
31 areas of all counties imposing the sales and use tax authorized under
32 RCW 82.14.030(1) for the previous calendar year.

33 (2) At such times as distributions are made under RCW 82.44.150,
34 the state treasurer shall apportion to each county imposing the sales
35 and use tax under RCW 82.14.030(1) at the maximum rate and receiving
36 less than one hundred fifty thousand dollars from the tax for the

1 previous calendar year, an amount from the county sales and use tax
2 equalization account sufficient, when added to the amount of revenues
3 received the previous calendar year by the county, to equal one hundred
4 fifty thousand dollars.

5 The department of revenue shall establish a governmental price
6 index as provided in this subsection. The base year for the index
7 shall be the end of the third quarter of 1982. Prior to November 1,
8 1983, and prior to each November 1st thereafter, the department of
9 revenue shall establish another index figure for the third quarter of
10 that year. The department of revenue may use the implicit price
11 deflators for state and local government purchases of goods and
12 services calculated by the United States department of commerce to
13 establish the governmental price index. Beginning on January 1, 1984,
14 and each January 1st thereafter, the one hundred fifty thousand dollar
15 base figure in this subsection shall be adjusted in direct proportion
16 to the percentage change in the governmental price index from 1982
17 until the year before the adjustment. Distributions made under this
18 subsection for 1984 and thereafter shall use this adjusted base amount
19 figure.

20 (3) Subsequent to the distributions under subsection (2) of this
21 section and at such times as distributions are made under RCW
22 82.44.150, the state treasurer shall apportion to each county imposing
23 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
24 receiving less than seventy percent of the statewide weighted average
25 per capita level of revenues for the unincorporated areas of all
26 counties as determined by the department of revenue under subsection
27 (1) of this section, an amount from the county sales and use tax
28 equalization account sufficient, when added to the per capita level of
29 revenues for the unincorporated area received the previous calendar
30 year by the county, to equal seventy percent of the statewide weighted
31 average per capita level of revenues for the unincorporated areas of
32 all counties determined under subsection (1) of this section, subject
33 to reduction under subsections (6) and (7) of this section. When
34 computing distributions under this section, any distribution under
35 subsection (2) of this section shall be considered revenues received
36 from the tax imposed under RCW 82.14.030(1) for the previous calendar
37 year.

1 (4) Subsequent to the distributions under subsection (3) of this
2 section and at such times as distributions are made under RCW
3 82.44.150, the state treasurer shall apportion to each county imposing
4 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
5 receiving a distribution under subsection (2) of this section, a third
6 distribution from the county sales and use tax equalization account.
7 The distribution to each qualifying county shall be equal to the
8 distribution to the county under subsection (2) of this section,
9 subject to the reduction under subsections (6) and (7) of this section.
10 To qualify for the total distribution under this subsection, the county
11 must impose the tax under RCW 82.14.030(2) for the entire calendar
12 year. Counties imposing the tax for less than the full year shall
13 qualify for prorated allocations under this subsection proportionate to
14 the number of months of the year during which the tax is imposed.

15 (5) Subsequent to the distributions under subsection (4) of this
16 section and at such times as distributions are made under RCW
17 82.44.150, the state treasurer shall apportion to each county imposing
18 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
19 receiving a distribution under subsection (3) of this section, a fourth
20 distribution from the county sales and use tax equalization account.
21 The distribution to each qualifying county shall be equal to the
22 distribution to the county under subsection (3) of this section,
23 subject to the reduction under subsections (6) and (7) of this section.
24 To qualify for the distributions under this subsection, the county must
25 impose the tax under RCW 82.14.030(2) for the entire calendar year.
26 Counties imposing the tax for less than the full year shall qualify for
27 prorated allocations under this subsection proportionate to the number
28 of months of the year during which the tax is imposed.

29 (6) Revenues distributed under subsections (2) through (5) of this
30 section in any calendar year shall not exceed an amount equal to
31 seventy percent of the statewide weighted average per capita level of
32 revenues for the unincorporated areas of all counties during the
33 previous calendar year. If distributions under subsections (3) through
34 (5) of this section cannot be made because of this limitation, then
35 distributions under subsections (3) through (5) of this section shall
36 be reduced ratably among the qualifying counties.

37 (7) If inadequate revenues exist in the county sales and use tax
38 equalization account to make the distributions under subsections (3)

1 through (5) of this section, then the distributions under subsections
2 (3) through (5) of this section shall be reduced ratably among the
3 qualifying counties. At such time during the year as additional funds
4 accrue to the county sales and use tax equalization account, additional
5 distributions shall be made under subsections (3) through (5) of this
6 section to the counties.

7 (8) If the level of revenues in the county sales and use tax
8 equalization account exceeds the amount necessary to make the
9 distributions under subsections (2) through (5) of this section, at
10 such times as distributions are made under RCW 82.44.150, the state
11 treasurer shall apportion an amount to the county public health account
12 created in RCW 70.05.125 equal to the adjustment under RCW
13 70.05.125(2)(b).

14 (9) If the level of revenues in the county sales and use tax
15 equalization account exceeds the amount necessary to make the
16 distributions under subsections (2) through (5) and (8) of this
17 section, then the additional revenues shall be credited and transferred
18 as follows:

19 (a) Fifty percent to the public facilities construction loan
20 revolving account under RCW 43.160.080; and

21 (b) Fifty percent to the distressed county public facilities
22 construction loan account under RCW 43.160.220, or so much thereof as
23 will not cause the balance in the account to exceed twenty-five million
24 dollars. Any remaining funds shall be deposited into the public
25 facilities construction loan revolving account.

26 (10) During the 2003-2005 fiscal biennium, the legislature may
27 transfer from the county sales and use tax equalization account to the
28 state general fund such amounts as reflect the excess fund balance of
29 the account.

30 **Sec. 935.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read
31 as follows:

32 There is created in the state treasury a special account to be
33 known as the "municipal sales and use tax equalization account." Into
34 this account shall be placed such revenues as are provided under RCW
35 82.44.110(1)(e). Funds in this account shall be allocated by the state
36 treasurer according to the following procedure:

1 (1) Prior to January 1st of each year the department of revenue
2 shall determine the total and the per capita levels of revenues for
3 each city and the statewide weighted average per capita level of
4 revenues for all cities imposing the sales and use tax authorized under
5 RCW 82.14.030(1) for the previous calendar year.

6 (2) At such times as distributions are made under RCW 82.44.150,
7 the state treasurer shall apportion to each city not imposing the sales
8 and use tax under RCW 82.14.030(2) an amount from the municipal sales
9 and use tax equalization account equal to the amount distributed to the
10 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

11 (3) Subsequent to the distributions under subsection (2) 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 city imposing
14 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
15 receiving less than seventy percent of the statewide weighted average
16 per capita level of revenues for all cities as determined by the
17 department of revenue under subsection (1) of this section, an amount
18 from the municipal sales and use tax equalization account sufficient,
19 when added to the per capita level of revenues received the previous
20 calendar year by the city, to equal seventy percent of the statewide
21 weighted average per capita level of revenues for all cities determined
22 under subsection (1) of this section, subject to reduction under
23 subsection (6) of this section.

24 (4) Subsequent to the distributions under subsection (3) of this
25 section, and at such times as distributions are made under RCW
26 82.44.150, the state treasurer shall apportion to each city imposing
27 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
28 receiving a distribution under subsection (3) of this section, a third
29 distribution from the municipal sales and use tax equalization account.
30 The distribution to each qualifying city shall be equal to the
31 distribution to the city under subsection (3) of this section, subject
32 to the reduction under subsection (6) of this section. To qualify for
33 the distributions under this subsection, the city must impose the tax
34 under RCW 82.14.030(2) for the entire calendar year. Cities imposing
35 the tax for less than the full year shall qualify for prorated
36 allocations under this subsection proportionate to the number of months
37 of the year during which the tax is imposed.

1 (5) For a city with an official incorporation date after January 1,
2 1990, municipal sales and use tax equalization distributions shall be
3 made according to the procedures in this subsection. Municipal sales
4 and use tax equalization distributions to eligible new cities shall be
5 made at the same time as distributions are made under subsections (3)
6 and (4) of this section. The department of revenue shall follow the
7 estimating procedures outlined in this subsection until the new city
8 has received a full year's worth of revenues under RCW 82.14.030(1) as
9 of the January municipal sales and use tax equalization distribution.

10 (a) Whether a newly incorporated city determined to receive funds
11 under this subsection receives its first equalization payment at the
12 January, April, July, or October municipal sales and use tax
13 equalization distribution shall depend on the date the city first
14 imposes the tax authorized under RCW 82.14.030(1).

15 (i) A newly incorporated city imposing the tax authorized under RCW
16 82.14.030(1) effective as of January 1st shall be eligible to receive
17 funds under this subsection beginning with the April municipal sales
18 and use tax equalization distribution of that year.

19 (ii) A newly incorporated city imposing the tax authorized under
20 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
21 shall be eligible to receive funds under this subsection beginning with
22 the July municipal sales and use tax equalization distribution of that
23 year.

24 (iii) A newly incorporated city imposing the tax authorized under
25 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
26 be eligible to receive funds under this subsection beginning with the
27 October municipal sales and use tax equalization distribution of that
28 year.

29 (iv) A newly incorporated city imposing the tax authorized under
30 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
31 1st shall be eligible to receive funds under this subsection beginning
32 with the January municipal sales and use tax equalization distribution
33 of the next year.

34 (v) A newly incorporated city imposing the tax authorized under RCW
35 82.14.030(1) effective as of November 1st or December 1st shall be
36 eligible to receive funds under this subsection beginning with the
37 April municipal sales and use tax equalization distribution of the next
38 year.

1 (b) For purposes of calculating the amount of funds the new city
2 should receive under this subsection, the department of revenue shall:

3 (i) Estimate the per capita amount of revenues from the tax
4 authorized under RCW 82.14.030(1) that the new city would have received
5 had the city received revenues from the tax the entire calendar year;

6 (ii) Calculate the amount provided under subsection (3) of this
7 section based on the per capita revenues determined under (b)(i) of
8 this subsection;

9 (iii) Prorate the amount determined under (b)(ii) of this
10 subsection by the number of months the tax authorized under RCW
11 82.14.030(1) is imposed.

12 (c) A new city imposing the tax under RCW 82.14.030(2) at the
13 maximum rate and receiving a distribution calculated under (b) of this
14 subsection shall receive another distribution from the municipal sales
15 and use tax equalization account. This distribution shall be equal to
16 the calculation made under (b)(ii) of this subsection, prorated by the
17 number of months the city imposes the tax authorized under RCW
18 82.14.030(2) at the full rate.

19 (d) The department of revenue shall advise the state treasurer of
20 the amounts calculated under (b) and (c) of this subsection and the
21 state treasurer shall distribute these amounts to the new city from the
22 municipal sales and use tax equalization account subject to the
23 limitations imposed in subsection (6) of this section.

24 (e) Revenues estimated under this subsection shall not affect the
25 calculation of the statewide weighted average per capita level of
26 revenues for all cities made under subsection (1) of this section.

27 (6) If inadequate revenues exist in the municipal sales and use tax
28 equalization account to make the distributions under subsection (3),
29 (4), or (5) of this section, then the distributions under subsections
30 (3), (4), and (5) of this section shall be reduced ratably among the
31 qualifying cities. At such time during the year as additional funds
32 accrue to the municipal sales and use tax equalization account,
33 additional distributions shall be made under subsections (3), (4), and
34 (5) of this section to the cities.

35 (7) If the level of revenues in the municipal sales and use tax
36 equalization account exceeds the amount necessary to make the
37 distributions under subsections (2) through (5) of this section, then
38 the additional revenues shall be apportioned among the several cities

1 within the state ratably on the basis of population as last determined
2 by the office of financial management: PROVIDED, That no such
3 distribution shall be made to those cities receiving a distribution
4 under subsection (2) of this section.

5 (8) During the 2003-2005 fiscal biennium, the legislature may
6 transfer from the municipal sales and use tax equalization account to
7 the state general fund such amounts as reflect the excess fund balance
8 in the account.

9 **Sec. 936.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to
10 read as follows:

11 The flood control assistance account is hereby established in the
12 state treasury. At the beginning of the 1997-99 fiscal biennium and
13 each biennium thereafter the state treasurer shall transfer four
14 million dollars from the general fund to the flood control assistance
15 account. Moneys in the flood control assistance account may be spent
16 only after appropriation for purposes specified under this chapter
17 (~~(or, during the 1997-99 fiscal biennium, for transfer to the disaster~~
18 ~~response account)).~~ During the 2003-2005 fiscal biennium, the
19 legislature may transfer from the flood control assistance account to
20 the state general fund such amounts as reflect the excess fund balance
21 of the account.

22 NEW SECTION. **Sec. 937.** If any provision of this act or its
23 application to any person or circumstance is held invalid, the
24 remainder of the act or the application of the provision to other
25 persons or circumstances is not affected.

26 NEW SECTION. **Sec. 938.** This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of the
28 state government and its existing public institutions, and takes effect
29 immediately.

(End of part)

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