
SENATE BILL 5404

State of Washington 58th Legislature 2003 Regular Session

By Senator Rossi; by request of Governor Locke

Read first time 01/23/2003. Referred to Committee on Ways & Means.

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100,
2 19.28.351, 41.50.110, 43.08.190, 43.23.230, 43.200.080, 48.02.190,
3 49.26.130, 51.44.170, 67.40.040, 70.79.350, 70.146.030, 76.04.630,
4 76.12.170, 80.01.080, 82.14.200, 82.14.210, and 86.26.007; creating new
5 sections; making appropriations; and declaring an emergency.

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

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

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

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

1 (b) "Fiscal year 2005" or "FY 2005" means the fiscal year ending
 2 June 30, 2005.
 3 (c) "FTE" means full time equivalent.
 4 (d) "Lapse" or "revert" means the amount shall return to an
 5 unappropriated status.
 6 (e) "Provided solely" means the specified amount may be spent only
 7 for the specified purpose. Unless otherwise specifically authorized in
 8 this act, any portion of an amount provided solely for a specified
 9 purpose which is unnecessary to fulfill the specified purpose shall
 10 lapse.

11 **PART I**
 12 **GENERAL GOVERNMENT**

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

14	General Fund--State Appropriation (FY 2004)	\$28,414,000
15	General Fund--State Appropriation (FY 2005)	\$28,619,000
16	Department of Retirement Systems Expense Account--	
17	State Appropriation	\$45,000
18	TOTAL APPROPRIATION	\$57,078,000

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

20	General Fund--State Appropriation (FY 2004)	\$22,357,000
21	General Fund--State Appropriation (FY 2005)	\$23,530,000
22	Department of Retirement Systems Expense Account--	
23	State Appropriation	\$45,000
24	TOTAL APPROPRIATION	\$45,932,000

25 **NEW SECTION. Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
 26 **COMMITTEE**

27	General Fund--State Appropriation (FY 2004)	\$1,711,000
28	General Fund--State Appropriation (FY 2005)	\$1,822,000
29	TOTAL APPROPRIATION	\$3,533,000

30 **NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND**
 31 **ACCOUNTABILITY PROGRAM COMMITTEE**

32	General Fund--State Appropriation (FY 2004)	\$1,827,000
33	General Fund--State Appropriation (FY 2005)	\$1,970,000

1	TOTAL APPROPRIATION	\$3,797,000
2	<u>NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY</u>	
3	Department of Retirement Systems Expense Account--	
4	State Appropriation	\$2,143,000
5	<u>NEW SECTION. Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS</u>	
6	COMMITTEE	
7	General Fund--State Appropriation (FY 2004)	\$7,127,000
8	General Fund--State Appropriation (FY 2005)	\$7,128,000
9	TOTAL APPROPRIATION	\$14,255,000
10	<u>NEW SECTION. Sec. 107. FOR THE STATUTE LAW COMMITTEE</u>	
11	General Fund--State Appropriation (FY 2004)	\$4,129,000
12	General Fund--State Appropriation (FY 2005)	\$4,144,000
13	TOTAL APPROPRIATION	\$8,273,000
14	<u>NEW SECTION. Sec. 108. FOR THE SUPREME COURT</u>	
15	General Fund--State Appropriation (FY 2004)	\$5,841,000
16	General Fund--State Appropriation (FY 2005)	\$6,106,000
17	TOTAL APPROPRIATION	\$11,947,000
18	<u>NEW SECTION. Sec. 109. FOR THE LAW LIBRARY</u>	
19	General Fund--State Appropriation (FY 2004)	\$2,384,000
20	General Fund--State Appropriation (FY 2005)	\$2,847,000
21	TOTAL APPROPRIATION	\$5,231,000
22	<u>NEW SECTION. Sec. 110. FOR THE COURT OF APPEALS</u>	
23	General Fund--State Appropriation (FY 2004)	\$12,958,000
24	General Fund--State Appropriation (FY 2005)	\$13,306,000
25	TOTAL APPROPRIATION	\$26,264,000
26	<u>NEW SECTION. Sec. 111. FOR THE COMMISSION ON JUDICIAL CONDUCT</u>	
27	General Fund--State Appropriation (FY 2004)	\$973,000
28	General Fund--State Appropriation (FY 2005)	\$966,000
29	TOTAL APPROPRIATION	\$1,939,000

1 NEW SECTION. **Sec. 112. FOR THE ADMINISTRATOR FOR THE COURTS**

2	General Fund--State Appropriation (FY 2004)	\$17,423,000
3	General Fund--State Appropriation (FY 2005)	\$17,542,000
4	Public Safety and Education Account--State	
5	Appropriation	\$30,559,000
6	State Agency Parking Account--State Appropriation	\$1,000
7	Judicial Information Systems Account--State	
8	Appropriation	\$25,645,000
9	TOTAL APPROPRIATION	\$91,170,000

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

12 (1) \$223,000 of the public safety and education account
13 appropriation is provided solely for the gender and justice commission.

14 (2) \$308,000 of the public safety and education account
15 appropriation is provided solely for the minority and justice
16 commission.

17 (3) \$388,000 of the general fund--state appropriation for fiscal
18 year 2004, \$393,000 of the general fund--state appropriation for fiscal
19 year 2005, and \$263,000 of the public safety and education account
20 appropriation are provided solely for the workload associated with tax
21 warrants and other state cases filed in Thurston county.

22 (4) \$1,500,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$1,500,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for court-appointed special
25 advocates in dependancy matters.

26 NEW SECTION. **Sec. 113. FOR THE OFFICE OF PUBLIC DEFENSE**

27	General Fund--State Appropriation (FY 2004)	\$878,000
28	General Fund--State Appropriation (FY 2005)	\$1,171,000
29	Public Safety and Education Account--State	
30	Appropriation	\$12,609,000
31	TOTAL APPROPRIATION	\$14,658,000

32 NEW SECTION. **Sec. 114. FOR THE OFFICE OF THE GOVERNOR**

33	General Fund--State Appropriation (FY 2004)	\$4,068,000
34	General Fund--State Appropriation (FY 2005)	\$3,919,000
35	General Fund--Federal Appropriation	\$1,150,000
36	Water Quality Account--State Appropriation	\$3,903,000

1 TOTAL APPROPRIATION \$13,040,000

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

4 (1) \$3,903,000 of the water quality account appropriation and
5 \$1,150,000 of the general fund--federal appropriation are provided
6 solely for the Puget Sound water quality action team to implement the
7 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

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

12 NEW SECTION. **Sec. 115. FOR THE LIEUTENANT GOVERNOR**

13 General Fund--State Appropriation (FY 2004) \$431,000
14 General Fund--State Appropriation (FY 2005) \$438,000
15 TOTAL APPROPRIATION \$869,000

16 NEW SECTION. **Sec. 116. FOR THE PUBLIC DISCLOSURE COMMISSION**

17 General Fund--State Appropriation (FY 2004) \$1,883,000
18 General Fund--State Appropriation (FY 2005) \$1,892,000
19 TOTAL APPROPRIATION \$3,775,000

20 NEW SECTION. **Sec. 117. FOR THE SECRETARY OF STATE**

21 General Fund--State Appropriation (FY 2004) \$18,929,000
22 General Fund--State Appropriation (FY 2005) \$13,890,000
23 General Fund--Federal Appropriation \$6,996,000
24 Archives and Records Management Account--State
25 Appropriation \$9,098,000
26 Archives and Records Management Account--Private/Local
27 Appropriation \$7,101,000
28 TOTAL APPROPRIATION \$56,014,000

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

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

1 only for those odd-year election costs that the secretary of state
2 validates as eligible for reimbursement.

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

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

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

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

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

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

37 (i) Attempting to influence the passage or defeat of any
38 legislation by the legislature of the state of Washington, by any

1 county, city, town, or other political subdivision of the state of
2 Washington, or by the congress, or the adoption or rejection of any
3 rule, standard, rate, or other legislative enactment of any state
4 agency;

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

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

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

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

28 NEW SECTION. **Sec. 118. FOR THE GOVERNOR'S OFFICE OF INDIAN**
29 **AFFAIRS**

30	General Fund--State Appropriation (FY 2004)	\$252,000
31	General Fund--State Appropriation (FY 2005)	\$245,000
32	TOTAL APPROPRIATION	\$497,000

33 The appropriations in this section are subject to the following
34 conditions and limitations: \$10,000 of the general fund--state
35 appropriation for fiscal year 2004 is provided solely to facilitate the
36 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. 119. FOR THE COMMISSION ON ASIAN-AMERICAN**
5 **AFFAIRS**

6	General Fund--State Appropriation (FY 2004)	\$194,000
7	General Fund--State Appropriation (FY 2005)	\$197,000
8	TOTAL APPROPRIATION	\$391,000

9 NEW SECTION. **Sec. 120. FOR THE STATE TREASURER**

10	State Treasurer's Service Account--State Appropriation . .	\$13,528,000
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11 NEW SECTION. **Sec. 121. FOR THE STATE AUDITOR**

12	General Fund--State Appropriation (FY 2004)	\$812,000
13	General Fund--State Appropriation (FY 2005)	\$827,000
14	State Auditing Services Revolving Account--State	
15	Appropriation	\$13,274,000
16	TOTAL APPROPRIATION	\$14,913,000

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) \$812,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$827,000 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.

1 NEW SECTION. **Sec. 125. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
 2 **AND ECONOMIC DEVELOPMENT**

3	General Fund--State Appropriation (FY 2004)	\$58,291,000
4	General Fund--State Appropriation (FY 2005)	\$57,821,000
5	General Fund--Federal Appropriation	\$197,660,000
6	General Fund--Private/Local Appropriation	\$10,606,000
7	Public Safety and Education Account--State	
8	Appropriation	\$10,107,000
9	Public Works Assistance Account--State Appropriation	\$1,936,000
10	Building Code Council Account--State Appropriation	\$1,072,000
11	Administrative Contingency Account--State Appropriation . .	\$1,774,000
12	Low-Income Weatherization Assistance Account--State	
13	Appropriation	\$3,293,000
14	Violence Reduction and Drug Enforcement Account--State	
15	Appropriation	\$8,509,000
16	Manufactured Home Installation Training Account--State	
17	Appropriation	\$259,000
18	Community and Economic Development Fee Account--State	
19	Appropriation	\$1,909,000
20	Washington Housing Trust Account--State Appropriation . . .	\$16,786,000
21	Public Facility Construction Loan Revolving	
22	Account--State Appropriation	\$629,000
23	TOTAL APPROPRIATION	\$370,652,000

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

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

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

1 (3) \$9,992,458 of the general fund--federal appropriation is
2 provided solely for the drug control and system improvement formula
3 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

12 (d) \$89,533 to the department for grants to support tribal law
13 enforcement needs;

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

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

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

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

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

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

28 (k) \$543,071 to the office of financial management for criminal
29 history records improvement;

30 (l) \$813,358 to the department for required grant administration,
31 monitoring, and reporting on Byrne formula grant programs.

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

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

6 (4) \$5,085,000 of the general fund--state appropriation for fiscal
7 year 2004, \$5,085,000 of the general fund--state appropriation for
8 fiscal year 2005, \$4,250,000 of the general fund--federal
9 appropriation, and \$6,145,000 of the Washington housing trust account
10 are provided solely for providing housing and shelter for homeless
11 people, including but not limited to grants to operate, repair, and
12 staff shelters; grants to operate transitional housing; partial
13 payments for rental assistance; consolidated emergency assistance;
14 overnight youth shelters; and emergency shelter assistance.

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

19 (6) \$697,000 of the community economic development account
20 appropriation is provided solely for support of the developmental
21 disabilities endowment governing board and costs of the endowment
22 program. The governing board may use appropriations to implement a
23 sliding-scale fee waiver for families earning below 150 percent of the
24 state median family income.

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

1 (8) \$4,609,000 of the public safety and education account and
2 \$2,973,000 of the violence reduction and drug enforcement account are
3 provided solely for civil indigent legal services.

4 (9) \$26,862,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$26,862,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for providing early childhood
7 education assistance.

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

12 (11) \$250,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$250,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for technical assistance services
15 targeted to socially and economically disadvantaged businesses
16 including those owned and controlled by women and minorities;
17 certification of small businesses that are owned and controlled by
18 ethnic minorities, women, and socially and economically disadvantaged
19 persons; and facilitating access to business development resources and
20 capital.

21 NEW SECTION. **Sec. 126. FOR THE ECONOMIC AND REVENUE FORECAST**
22 **COUNCIL**

23	General Fund--State Appropriation (FY 2004)	\$515,000
24	General Fund--State Appropriation (FY 2005)	\$521,000
25	TOTAL APPROPRIATION	\$1,036,000

26 NEW SECTION. **Sec. 127. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

27	General Fund--State Appropriation (FY 2004)	\$14,319,000
28	General Fund--State Appropriation (FY 2005)	\$13,722,000
29	General Fund--Federal Appropriation	\$23,677,000
30	Violence Reduction and Drug Enforcement Account--State	
31	Appropriation	\$242,000
32	State Auditing Services Revolving Account--State	
33	Appropriation	\$25,000
34	TOTAL APPROPRIATION	\$51,985,000

35 The appropriations in this section are subject to the following
36 conditions and limitations: \$1,000,000 of the general fund--state

1 appropriation for fiscal year 2004 and \$500,000 of the general
2 fund--state appropriation for fiscal year 2005 shall be used to conduct
3 a comprehensive review of state kindergarten through twelfth grade
4 funding, including an examination of teacher compensation issues.

5 NEW SECTION. **Sec. 128. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
6 Administrative Hearings Revolving Account--State
7 Appropriation \$24,914,000

8 NEW SECTION. **Sec. 129. FOR THE DEPARTMENT OF HUMAN RESOURCES**
9 Dependent Care Administrative Account--State
10 Appropriation \$2,000
11 Department of Personnel Service Account--State
12 Appropriation \$13,955,000
13 Higher Education Personnel Services Account--State
14 Appropriation \$1,624,000
15 Department of Retirement Systems Expense Account--State
16 Appropriation \$46,176,000
17 TOTAL APPROPRIATION \$61,757,000

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

20 (1) \$2,083,000 of retirement systems expense account appropriation
21 is provided solely for the support of the information systems project
22 known as the electronic document image management system.

23 (2) \$77,000 of the retirement systems expense account appropriation
24 is provided solely for the modifications to the retirement information
25 systems to meet new federal compliance requirements.

26 (3) \$21,000 of the retirement systems expense account appropriation
27 is provided solely for the modifications to the retirement information
28 systems to allow for annual changes to member contribution rates.

29 (4) If legislation to create the department of human resources is
30 not enacted by June 30, 2003, the appropriations of the department of
31 personnel service account and the higher education personnel services
32 account shall be transferred to the department of personnel, and the
33 appropriations of the dependent care administrative account and the
34 department of retirement systems expense account shall be transferred
35 to the department of retirement systems.

1 (5) The department shall coordinate with the governor's office of
2 Indian Affairs on providing a one-day government to government training
3 session for federal, state, local, and tribal government employees.
4 The training session must cover tribal historical perspectives, legal
5 issues, tribal sovereignty, and tribal governments. Costs of the
6 training session shall be recouped through a fee charged to the
7 participants of the training session.

8 (6) The department is authorized to enter into a financing contract
9 for up to \$30,700,000, plus necessary financing expenses and required
10 reserves, pursuant to chapter 39.94 RCW. The contract shall be to
11 purchase, develop, and operationalize a new statewide payroll system
12 and shall be for a term of not more than twelve years.

13 NEW SECTION. **Sec. 130. FOR THE WASHINGTON STATE LOTTERY**
14 Lottery Administrative Account--State Appropriation . . . \$23,304,000

15 NEW SECTION. **Sec. 131. FOR THE COMMISSION ON HISPANIC AFFAIRS**
16 General Fund--State Appropriation (FY 2004) \$203,000
17 General Fund--State Appropriation (FY 2005) \$206,000
18 TOTAL APPROPRIATION \$409,000

19 NEW SECTION. **Sec. 132. FOR THE COMMISSION ON AFRICAN-AMERICAN**
20 **AFFAIRS**
21 General Fund--State Appropriation (FY 2004) \$197,000
22 General Fund--State Appropriation (FY 2005) \$201,000
23 TOTAL APPROPRIATION \$398,000

24 NEW SECTION. **Sec. 133. FOR THE PERSONNEL APPEALS BOARD**
25 Department of Personnel Service Account--State
26 Appropriation \$1,744,000

27 NEW SECTION. **Sec. 134. FOR THE STATE INVESTMENT BOARD**
28 State Investment Board Expense Account--State
29 Appropriation \$12,984,000

30 NEW SECTION. **Sec. 135. FOR THE DEPARTMENT OF REVENUE**
31 General Fund--State Appropriation (FY 2004) \$79,733,000
32 General Fund--State Appropriation (FY 2005) \$80,270,000

1	Timber Tax Distribution Account--State Appropriation . . .	\$5,249,000
2	Waste Reduction/Recycling/Litter Control--State	
3	Appropriation	\$101,000
4	State Toxics Control Account--State Appropriation	\$67,000
5	Oil Spill Prevention Account--State Appropriation	\$14,000
6	TOTAL APPROPRIATION	\$165,434,000

7 **NEW SECTION. Sec. 136. FOR THE BOARD OF TAX APPEALS**

8	General Fund--State Appropriation (FY 2004)	\$1,160,000
9	General Fund--State Appropriation (FY 2005)	\$1,018,000
10	TOTAL APPROPRIATION	\$2,178,000

11 **NEW SECTION. Sec. 137. FOR THE MUNICIPAL RESEARCH COUNCIL**

12	County Research Services Account--State Appropriation	\$827,000
13	City and Town Research Services--State Appropriation	\$4,142,000
14	TOTAL APPROPRIATION	\$4,969,000

15 **NEW SECTION. Sec. 138. FOR THE DEPARTMENT OF GENERAL**

16 **ADMINISTRATION**

17	General Fund--State Appropriation (FY 2004)	\$265,000
18	General Fund--State Appropriation (FY 2005)	\$274,000
19	General Fund--Federal Appropriation	\$3,222,000
20	General Administration Service Account--State	
21	Appropriation	\$4,870,000
22	TOTAL APPROPRIATION	\$8,631,000

23 **NEW SECTION. Sec. 139. FOR THE DEPARTMENT OF INFORMATION**

24 **SERVICES**

25	General Fund--State Appropriation (FY 2004)	\$1,000,000
26	General Fund--State Appropriation (FY 2005)	\$1,000,000
27	Data Processing Revolving Account--State Appropriation	\$3,603,000
28	TOTAL APPROPRIATION	\$5,603,000

29 The appropriation in this section is subject to the following

30 conditions and limitations: \$1,000,000 of the general fund--state

31 appropriation for fiscal year 2004 and \$1,000,000 of the general fund--

32 state appropriation for fiscal year 2005 are provided solely for the

33 digital learning commons to create a demonstration project, in

1 collaboration with schools, which will provide a web-based portal where
2 students, parents, and teachers from around the state will have access
3 to digital resources, learning tools, and online classes.

4 **NEW SECTION. Sec. 140. FOR THE INSURANCE COMMISSIONER**

5	General Fund--Federal Appropriation	\$635,000
6	Insurance Commissioners Regulatory Account--State	
7	Appropriation	\$32,601,000
8	TOTAL APPROPRIATION	\$33,236,000

9 **NEW SECTION. Sec. 141. FOR THE BOARD OF ACCOUNTANCY**

10	Certified Public Accountants' Account--State	
11	Appropriation	\$1,643,000

12 **NEW SECTION. Sec. 142. FOR THE FORENSIC INVESTIGATION COUNCIL**

13	Death Investigations Account--State Appropriation	\$274,000
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14 The appropriation in this section is subject to the following
15 conditions and limitations: \$250,000 of the death investigation
16 account appropriation is provided solely for providing financial
17 assistance to local jurisdictions in multiple death investigations.
18 The forensic investigation council shall develop criteria for awarding
19 these funds for multiple death investigations involving an
20 unanticipated, extraordinary, and catastrophic event or those involving
21 multiple jurisdictions.

22 **NEW SECTION. Sec. 143. FOR THE LIQUOR CONTROL BOARD**

23	Liquor Control Board Construction and Maintenance	
24	Account--State Appropriation	\$5,717,000
25	Liquor Revolving Account--State Appropriation	\$136,854,000
26	TOTAL APPROPRIATION	\$142,571,000

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

29 (1) \$2,000,000 of the liquor revolving account appropriation is
30 provided solely for the costs associated with the completion of the
31 merchandising business system. Actual expenditures are limited to the
32 balance of funds remaining from the \$4,800,000 appropriation provided
33 for the merchandise business system in the 2001-03 budget.

1 (2) \$2,395,000 of the liquor revolving account appropriation is
2 provided solely for the costs associated with opening new state liquor
3 stores in areas of the state that are underserved due to rapid
4 population growth and with relocating current state liquor stores to
5 more convenient locations for customers.

6 (3) \$1,921,000 of the liquor revolving account appropriation is
7 provided solely for the costs associated with purchasing merchandise
8 business system software and hardware-related items; hiring system-
9 related staff; and expanding the network bandwidth to maximize
10 transmission speeds for system business transactions.

11 NEW SECTION. **Sec. 144. FOR THE UTILITIES AND TRANSPORTATION**
12 **COMMISSION**

13	Public Service Revolving Account--State Appropriation . . .	\$26,605,000
14	Pipeline Safety Account--State Appropriation	\$2,817,000
15	Pipeline Safety Account--Federal Appropriation	\$1,093,000
16	TOTAL APPROPRIATION	\$30,515,000

17 NEW SECTION. **Sec. 145. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

18	Volunteer Firefighters' and Reserve Officers' Administrative	
19	Account--State Appropriation	\$704,000

20 NEW SECTION. **Sec. 146. FOR THE MILITARY DEPARTMENT**

21	General Fund--State Appropriation (FY 2004)	\$8,831,000
22	General Fund--State Appropriation (FY 2005)	\$8,882,000
23	General Fund--Federal Appropriation	\$102,826,000
24	General Fund--Private/Local Appropriation	\$374,000
25	Enhanced 911 Account--State Appropriation	\$34,295,000
26	Disaster Response Account--State Appropriation	\$190,000
27	Worker and Community Right-to-Know Account--State	
28	Appropriation	\$292,000
29	Nisqually Earthquake Account--State Appropriation	\$16,391,000
30	Nisqually Earthquake Account--Federal Appropriation	\$43,804,000
31	TOTAL APPROPRIATION	\$215,885,000

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

34 (1) \$190,000 of the disaster response account--state appropriation
35 is provided solely to develop and implement a disaster grant management

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

8 (2) \$10,157,000 of the Nisqually earthquake account--state
9 appropriation and \$43,804,000 of the Nisqually earthquake account--
10 federal appropriation are provided solely for response and recovery
11 costs associated with the February 28, 2001, earthquake. The military
12 department shall submit a report quarterly to the office of financial
13 management and the legislative fiscal committees detailing earthquake
14 recovery costs, including: (a) Estimates of total costs; (b)
15 incremental changes from the previous estimate; (c) actual
16 expenditures; (d) estimates of total remaining costs to be paid; and
17 (e) estimates of future payments by biennium. This information shall
18 be displayed by fund, by type of assistance, and by amount paid on
19 behalf of state agencies or local organizations. The military
20 department shall also submit a report quarterly to the office of
21 financial management and the legislative fiscal committees detailing
22 information on the Nisqually earthquake account, including: (a) The
23 amount and type of deposits into the account; (b) the current available
24 fund balance as of the reporting date; and (c) the projected fund
25 balance at the end of the 2003-05 biennium based on current revenue and
26 expenditure patterns.

27 (3) \$6,234,000 of the Nisqually earthquake account--state
28 appropriation is provided solely to cover other response and recovery
29 costs associated with the Nisqually earthquake that are not eligible
30 for federal emergency management agency reimbursement. Prior to
31 expending funds provided in this subsection, the military department
32 shall obtain prior approval of the director of financial management.
33 Prior to approving any single project of over \$1,000,000, the office of
34 financial management shall notify the fiscal committees of the
35 legislature. The military department is to submit a quarterly report
36 detailing the costs authorized under this subsection to the office of
37 financial management and the legislative fiscal committees.

1 (4) \$850,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$75,000,000 of the general fund--federal appropriation
3 are provided solely for homeland security, to be distributed as
4 follows:

5 (a) \$56,250,000 of the general fund--federal appropriation to local
6 units of government for homeland security purposes, provided that if
7 any communications equipment is purchased it should be in keeping with
8 standards set by the Washington state interoperability executive
9 committee;

10 (b) \$315,000 of the general fund--federal appropriation to the
11 department to conduct the terrorism consequence management program;

12 (c) \$125,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$375,000 of the general fund--federal appropriation to
14 the department to conduct a critical infrastructure assessment;

15 (d) \$500,000 of the general fund--federal appropriation to the
16 office of financial management for the citizen corp and the community
17 emergency response teams;

18 (e) \$3,001,000 of the general fund--federal appropriation to the
19 Washington state patrol for ferry inspections and security;

20 (f) \$527,000 of the general fund--federal appropriation to the
21 Washington state patrol for inspection of commercial vehicles at ports
22 of entry;

23 (g) \$5,203,000 of the general fund--federal appropriation to the
24 Washington state patrol for replacement of radios;

25 (h) \$6,534,000 of the general fund--federal appropriation to the
26 Washington state patrol to design and implement a statewide
27 interoperable communications system;

28 (i) \$45,000 of the general fund--federal appropriation to the
29 department of agriculture to complete a risk assessment of the food
30 supply infrastructure and assets from farm to market;

31 (j) \$750,000 of the general fund--state appropriation and
32 \$2,250,000 of the general fund--federal appropriation to the department
33 in order to develop, monitor, coordinate, and manage statewide homeland
34 security programs, including required grant administration, monitoring,
35 and reporting.

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

1 of the total amount appropriated in this subsection become available,
 2 whether from prior or current fiscal year federal distributions, the
 3 department shall hold these moneys in reserve and may not expend them
 4 without specific appropriation. These moneys shall be carried forward
 5 and applied to the pool of moneys available for appropriation for
 6 programs and projects in the succeeding fiscal year. Funding is
 7 contingent upon receipt of federal awards. If federal awards are less
 8 than the amount provided in this subsection, federal funding in (j) of
 9 this subsection shall be adjusted to no more than three percent of the
 10 federal award and state funding shall be no more than the amount
 11 necessary to provide state match; (e) through (i) of this subsection
 12 shall be reduced in reverse order. As part of its budget request in
 13 each year, the department shall estimate and request authority to spend
 14 any federal funds received for homeland security purposes.

15 NEW SECTION. **Sec. 147. FOR THE PUBLIC EMPLOYMENT RELATIONS**
 16 **COMMISSION**

17 General Fund--State Appropriation (FY 2004) \$2,384,000
 18 General Fund--State Appropriation (FY 2005) \$2,461,000
 19 Department of Personnel Service Account--State
 20 Appropriation \$2,548,000
 21 TOTAL APPROPRIATION \$7,393,000

22 NEW SECTION. **Sec. 148. FOR THE GROWTH PLANNING HEARINGS BOARD**

23 General Fund--State Appropriation (FY 2004) \$1,656,000
 24 General Fund--State Appropriation (FY 2005) \$1,588,000
 25 TOTAL APPROPRIATION \$3,244,000

26 NEW SECTION. **Sec. 149. FOR THE STATE CONVENTION AND TRADE CENTER**

27 State Convention and Trade Center Account--State
 28 Appropriation \$31,037,000
 29 State Convention and Trade Center Operating Account--
 30 State Appropriation \$40,581,000
 31 TOTAL APPROPRIATION \$71,618,000

32 NEW SECTION. **Sec. 150. FOR THE DEPARTMENT OF GAMING**

33 Horse Racing Commission Account--State Appropriation . . . \$4,528,000

1 If legislation to create the department of gaming is not enacted by
2 June 30, 2003, the appropriations of the horse racing commission
3 account shall be transferred to the horse racing commission.

(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.

(4) In the event the department receives additional unrestricted federal funds or achieves savings in excess of that anticipated in this act, the department shall use up to \$5,000,000 of such funds to initiate a pilot project providing integrated support services to homeless individuals needing mental health services, alcohol or substance abuse treatment, medical care, or who demonstrate community

1 safety concerns. Before such a pilot project is initiated, the
2 department shall notify the fiscal committees of the legislature of the
3 plans for such a pilot project including the source of funds to be
4 used.

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

7	General Fund--State Appropriation (FY 2004)	\$227,967,000
8	General Fund--State Appropriation (FY 2005)	\$236,974,000
9	General Fund--Federal Appropriation	\$411,926,000
10	General Fund--Private/Local Appropriation	\$400,000
11	Public Safety and Education Account--State Appropriation . . .	\$12,000
12	Violence Reduction and Drug Enforcement Account--State	
13	Appropriation	\$1,489,000
14	TOTAL APPROPRIATION	\$878,768,000

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

17	General Fund--State Appropriation (FY 2004)	\$77,765,000
18	General Fund--State Appropriation (FY 2005)	\$79,472,000
19	General Fund--Federal Appropriation	\$13,224,000
20	General Fund--Private/Local Appropriation	\$1,098,000
21	Public Safety and Education Account--State Appropriation .	\$6,092,000
22	Violence Reduction and Drug Enforcement Account--State	
23	Appropriation	\$37,338,000
24	Juvenile Accountability Incentive Account--Federal	
25	Appropriation	\$7,231,000
26	TOTAL APPROPRIATION	\$222,220,000

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

29 (1) \$6,092,000 of the public safety and education account--state
30 appropriation is provided solely for distribution to county juvenile
31 court administrators to fund the costs of processing children in need
32 of services and at-risk youth petitions. The department shall not
33 retain any portion of these funds to cover administrative or any other
34 departmental costs. The department, in conjunction with the juvenile
35 court administrators, shall develop an equitable funding distribution

1 formula. The formula shall neither reward counties with higher than
2 average per-petition processing costs nor shall it penalize counties
3 with lower than average per-petition processing costs.

4 (2) Each quarter during the 2001-03 fiscal biennium, each county
5 shall report the number of petitions processed and the total actual
6 costs of processing the petitions in each of the following categories:
7 Children in need of services, and at-risk youth. Counties shall submit
8 the reports to the department no later than 45 days after the end of
9 the quarter. The department shall forward this information to the
10 chair and ranking minority member of the house of representatives
11 appropriations committee and the senate ways and means committee no
12 later than 60 days after a quarter ends. These reports are deemed
13 informational in nature and are not for the purpose of distributing
14 funds.

15 (3) The juvenile rehabilitation administration, in consultation
16 with the juvenile court administrators, may agree on a formula to allow
17 the transfer of funds among amounts appropriated for consolidated
18 juvenile services, community juvenile accountability act grants, the
19 chemically dependent disposition alternative, and the special sex
20 offender disposition alternative.

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

23	General Fund--State Appropriation (FY 2004)	\$325,435,000
24	General Fund--State Appropriation (FY 2005)	\$341,073,000
25	General Fund--Federal Appropriation	\$509,883,000
26	General Fund--Private/Local Appropriation	\$26,351,000
27	Health Services Account--State Appropriation	\$2,450,000
28	TOTAL APPROPRIATION	\$1,205,192,000

29 The appropriations in this subsection are subject to the following
30 conditions and limitations: Funding is available under the limited
31 casualty program under RCW 74.09.700(1) to cover inpatient psychiatric
32 care provided to persons defined by the department as requiring
33 inpatient psychiatric care who are uninsured and who either meet
34 eligibility requirements set forth by the department or who are
35 involuntarily committed for inpatient psychiatric care specified under
36 the involuntary treatment act.

1 NEW SECTION. **Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**

2 **SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM**

3	General Fund--State Appropriation (FY 2004)	\$330,767,000
4	General Fund--State Appropriation (FY 2005)	\$339,433,000
5	General Fund--Federal Appropriation	\$593,452,000
6	General Fund--Private/Local Appropriation	\$11,228,000
7	Health Services Account--State Appropriation	\$791,000
8	Telecommunications Devices for the Hearing	
9	Impaired and Speech Account Appropriation	\$1,782,000
10	TOTAL APPROPRIATION	\$1,277,453,000

11 NEW SECTION. **Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**

12 **SERVICES--AGING AND ADULT SERVICES PROGRAM**

13	General Fund--State Appropriation (FY 2004)	\$512,663,000
14	General Fund--State Appropriation (FY 2005)	\$530,984,000
15	General Fund--Federal Appropriation	\$1,078,200,000
16	General Fund--Private/Local Appropriation	\$19,368,000
17	Health Services Account--State Appropriation	\$3,723,000
18	TOTAL APPROPRIATION	\$2,144,938,000

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

21 (1) For purposes of implementing chapter 74.46 RCW, the weighted
22 average nursing facility payment rate shall be no more than \$127.45 for
23 fiscal year 2004, and no more than \$129.71 for fiscal year 2005.

24 (2) In accordance with chapter 8, Laws of 2001 1st sp. sess.
25 (nursing home rates), the department shall issue certificates of
26 capital authorization which result in up to \$27 million of increased
27 asset value completed and ready for occupancy in fiscal year 2004; and
28 in up to \$27 million of increased asset value completed and ready for
29 occupancy in fiscal year 2005.

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

33 NEW SECTION. **Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**

34 **SERVICES--ECONOMIC SERVICES PROGRAM**

35	General Fund--State Appropriation (FY 2004)	\$391,017,000
36	General Fund--State Appropriation (FY 2005)	\$397,332,000

1 General Fund--Federal Appropriation \$1,436,661,000
 2 General Fund--Private/Local Appropriation \$33,880,000
 3 TOTAL APPROPRIATION \$2,258,890,000

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

6 General Fund--State Appropriation (FY 2004) \$33,734,000
 7 General Fund--State Appropriation (FY 2005) \$33,802,000
 8 General Fund--Federal Appropriation \$90,721,000
 9 General Fund--Private/Local Appropriation \$630,000
 10 Public Safety and Education Account--State
 11 Appropriation \$13,708,000
 12 Criminal Justice Treatment Account--State Appropriation . . \$8,950,000
 13 Violence Reduction and Drug Enforcement Account--State
 14 Appropriation \$49,023,000
 15 TOTAL APPROPRIATION \$230,568,000

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

18 General Fund--State Appropriation (FY 2004) \$1,342,660,000
 19 General Fund--State Appropriation (FY 2005) \$1,117,768,000
 20 General Fund--Federal Appropriation \$3,709,891,000
 21 General Fund--Private/Local Appropriation \$256,159,000
 22 Emergency Medical Services and Trauma Care Systems
 23 Trust Account--State Appropriation \$19,900,000
 24 Health Services Account--State Appropriation \$740,283,000
 25 TOTAL APPROPRIATION \$7,186,661,000

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

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

1 health services account, equal to at least 98 percent of the
2 supplemental payments; and (b) a contractual commitment by the
3 participating districts to not allow expenditures covered by the
4 supplemental payments to be used for medicaid nursing home rate-
5 setting. The participating districts shall retain no more than a total
6 of \$3,500,000 for the 2003-05 biennium.

7 (2) \$14,748,000 of the health services account appropriation for
8 fiscal year 2004, \$14,982,000 of the health services account
9 appropriation for fiscal year 2005, and \$29,730,000 of the general
10 fund--federal appropriation are provided solely for additional
11 disproportionate share and medicare upper payment limit payments to
12 public hospital districts.

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

21 (3) \$489,000 of the health services account appropriation, \$508,000
22 of the general fund--state appropriation for fiscal year 2004, and
23 \$508,000 of the general fund--state appropriation for fiscal year 2005
24 shall be used for an interagency agreement with the health care
25 authority to pay for the medical assistance program's share of
26 administrative costs associated with the prescription drug project.

27 (4) Increases in managed care organization premiums in calendar
28 year 2004 and calendar year 2005 shall be no greater than the Seattle
29 consumer price index as published by the office of the forecast council
30 in the preceding November's statewide revenue forecast documents.

31 (5) \$3,500,000 of the emergency medical services and trauma care
32 systems trust account--state appropriation is provided for trauma
33 assistance payments for physicians. \$16,400,000 of the emergency
34 medical services and trauma care systems trust account--state
35 appropriation is provided for trauma assistance payments for hospitals
36 through a grant program matched with available federal funds and based
37 on experience from the previous year's relative amount of care
38 provided.

1 (6) The department of social and health services and the department
2 of health should work together to identify opportunities for early
3 intervention and prevention activities that can help prevent disease
4 and reduce oral health issues among children. Disease prevention among
5 infants at the age of one year and among children entering the K-12
6 education system provide cost-effective ways to avoid higher health
7 spending later in life.

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

10	General Fund--State Appropriation (FY 2004)	\$10,603,000
11	General Fund--State Appropriation (FY 2005)	\$11,337,000
12	General Fund--Federal Appropriation	\$85,585,000
13	General Fund--Private/Local Appropriation	\$440,000
14	TOTAL APPROPRIATION	\$107,965,000

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

17	General Fund--State Appropriation (FY 2004)	\$29,889,000
18	General Fund--State Appropriation (FY 2005)	\$28,719,000
19	General Fund--Federal Appropriation	\$56,777,000
20	General Fund--Private/Local Appropriation	\$810,000
21	TOTAL APPROPRIATION	\$116,195,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: The department shall implement reductions
24 in administrative expenditures assumed in these appropriations that
25 achieve ongoing savings, reduce duplicative and redundant work
26 processes, and, where possible, eliminate entire administrative
27 functions and offices. The department may transfer amounts among
28 sections and programs to achieve these savings provided that reductions
29 in direct services to clients and recipients of the department shall
30 not be counted as administrative reductions.

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

33	General Fund--State Appropriation (FY 2004)	\$39,857,000
34	General Fund--State Appropriation (FY 2005)	\$39,857,000
35	General Fund--Federal Appropriation	\$41,562,000

1 TOTAL APPROPRIATION \$121,276,000

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

3 General Fund--Federal Appropriation \$2,434,000

4 State Health Care Authority Administrative Account--

5 State Appropriation \$17,428,000

6 Health Services Account--State Appropriation \$364,732,000

7 TOTAL APPROPRIATION \$384,594,000

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

10 (1) \$41,107,000 of the health services account--state appropriation
11 is provided solely for health care services provided through local
12 community clinics.

13 (2) Within funds appropriated in this section and sections 205 and
14 206 of this act, the health care authority shall continue to provide an
15 enhanced basic health plan subsidy option for foster parents licensed
16 under chapter 74.15 RCW and workers in state-funded home care programs.
17 Under this enhanced subsidy option, foster parents and home care
18 workers with family incomes below 200 percent of the federal poverty
19 level shall be allowed to enroll in the basic health plan at a cost of
20 ten dollars per covered worker per month.

21 (3) The health care authority shall require organizations and
22 individuals which are paid to deliver basic health plan services and
23 which choose to sponsor enrollment in the subsidized basic health plan
24 to pay the following: (i) A minimum of fifteen dollars per enrollee
25 per month for persons below 100 percent of the federal poverty level;
26 and (ii) a minimum of twenty dollars per enrollee per month for persons
27 whose family income is 100 percent to 125 percent of the federal
28 poverty level.

29 (4) The administrator shall take at least the following actions to
30 assure that persons participating in the basic health plan are eligible
31 for the level of assistance they receive: (a) Require submission of
32 income tax returns and recent pay history from all applicants; (b)
33 check employment security payroll records at least once every twelve
34 months on all enrollees; (c) require enrollees whose income as
35 indicated by payroll records exceeds that upon which their subsidy is
36 based to document their current income as a condition of continued
37 eligibility; (d) require enrollees for whom employment security payroll

1 records cannot be obtained to document their current income at least
2 once every six months; and (e) pursue repayment and civil penalties
3 from persons who have received excessive subsidies, as provided in RCW
4 70.47.060(9).

5 (5) Enrollment is authorized in the subsidized basic health plan of
6 persons who, solely by reason of their immigration status, are not
7 eligible for medicaid coverage of their nonemergent medical care needs.

8 (6) \$400,000 of the health services account--state appropriation is
9 provided for an interagency transfer to the Washington State University
10 college of pharmacy to establish and operate a statewide senior
11 prescription drug information clearinghouse.

12 (7) Increases in managed care organization premiums in calendar
13 year 2004 and calendar year 2005 shall be no greater than the Seattle
14 consumer price index as published by the office of the forecast council
15 in the preceding November's statewide revenue forecast documents.

16 (8) The department of health and the health care authority should
17 work together to identify ways to make the most effective use of state,
18 local, and federal funds provided to community clinics. Better
19 coordination among agencies at various levels of government and among
20 various funding streams can help improve services provided to low-
21 income people through community clinics.

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

23	General Fund--State Appropriation (FY 2004)	\$2,407,000
24	General Fund--State Appropriation (FY 2005)	\$2,466,000
25	General Fund--Federal Appropriation	\$1,577,000
26	General Fund--Private/Local Appropriation	\$100,000
27	TOTAL APPROPRIATION	\$6,550,000

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

29 **APPEALS**

30	Worker and Community Right-to-Know Account--State	
31	Appropriation	\$20,000
32	Accident Account--State Appropriation	\$15,240,000
33	Medical Aid Account--State Appropriation	\$15,239,000
34	TOTAL APPROPRIATION	\$30,499,000

1 NEW SECTION. **Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING**

2 **COMMISSION**

3	Death Investigations Account--State Appropriation	\$148,000
4	Public Safety and Education Account--State	
5	Appropriation	\$18,365,000
6	Public Safety and Education Account--Federal	
7	Appropriation	\$3,700,000
8	Municipal Criminal Justice Assistance Account--	
9	Private/Local Appropriation	\$460,000
10	TOTAL APPROPRIATION	\$22,673,000

11 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF LABOR AND**

12 **INDUSTRIES**

13	General Fund--State Appropriation (FY 2004)	\$5,951,000
14	General Fund--State Appropriation (FY 2005)	\$6,054,000
15	Public Safety and Education Account--State	
16	Appropriation	\$25,314,000
17	Public Safety and Education Account--Federal	
18	Appropriation	\$5,641,000
19	Asbestos Account--State Appropriation	\$700,000
20	Electrical License Account--State Appropriation	\$29,234,000
21	Farm Labor Revolving Account--Private/Local	
22	Appropriation	\$28,000
23	Worker and Community Right-to-Know Account--State	
24	Appropriation	\$2,570,000
25	Public Works Administration Account--State	
26	Appropriation	\$2,468,000
27	Accident Account--State Appropriation	\$190,323,000
28	Accident Account--Federal Appropriation	\$13,399,000
29	Medical Aid Account--State Appropriation	\$189,465,000
30	Medical Aid Account--Federal Appropriation	\$2,963,000
31	Plumbing Certificate Account--State Appropriation	\$1,266,000
32	Pressure Systems Safety Account--State Appropriation	\$2,841,000
33	TOTAL APPROPRIATION	\$478,217,000

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

36 (1) Pursuant to RCW 7.68.015, the department shall operate the
37 crime victims compensation program within the public safety and

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

10 (2) \$141,000 of the medical aid account--state appropriation shall
 11 be used for an interagency agreement with the health care authority to
 12 pay for the department of labor and industries' share of administrative
 13 costs associated with the prescription drug project.

14 NEW SECTION. **Sec. 218. FOR THE INDETERMINATE SENTENCE REVIEW**
 15 **BOARD**

16	General Fund--State Appropriation (FY 2004)	\$991,000
17	General Fund--State Appropriation (FY 2005)	\$1,001,000
18	TOTAL APPROPRIATION	\$1,992,000

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

20 (1) HEADQUARTERS

21	General Fund--State Appropriation (FY 2004)	\$1,581,000
22	General Fund--State Appropriation (FY 2005)	\$1,604,000
23	Charitable, Educational, Penal, and Reformatory	
24	Institutions Account--State Appropriation	\$11,000
25	TOTAL APPROPRIATION	\$3,196,000

26 (2) FIELD SERVICES

27	General Fund--State Appropriation (FY 2004)	\$1,920,000
28	General Fund--State Appropriation (FY 2005)	\$1,939,000
29	General Fund--Federal Appropriation	\$309,000
30	General Fund--Private/Local Appropriation	\$1,718,000
31	TOTAL APPROPRIATION	\$5,886,000

32 (3) INSTITUTIONAL SERVICES

33	General Fund--State Appropriation (FY 2004)	\$6,672,000
34	General Fund--State Appropriation (FY 2005)	\$6,758,000
35	General Fund--Federal Appropriation	\$29,472,000

1 General Fund--Private/Local Appropriation \$25,932,000
 2 TOTAL APPROPRIATION \$68,834,000

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

4 General Fund--State Appropriation (FY 2004) \$273,000
 5 General Fund--State Appropriation (FY 2005) \$274,000
 6 TOTAL APPROPRIATION \$547,000

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

8 General Fund--State Appropriation (FY 2004) \$63,046,000
 9 General Fund--State Appropriation (FY 2005) \$64,934,000
 10 General Fund--Federal Appropriation \$324,274,000
 11 General Fund--Private/Local Appropriation \$87,897,000
 12 Hospital Commission Account--State Appropriation \$1,401,000
 13 Health Professions Account--State Appropriation \$41,053,000
 14 Emergency Medical Services and Trauma Care Systems
 15 Trust Account--State Appropriation \$5,163,000
 16 Safe Drinking Water Account--State Appropriation \$2,758,000
 17 Drinking Water Assistance Account--Federal
 18 Appropriation \$13,572,000
 19 Waterworks Operator Certification--State Appropriation . . . \$644,000
 20 Water Quality Account--State Appropriation \$3,401,000
 21 State Toxics Control Account--State Appropriation \$2,652,000
 22 Medical Test Site Licensure Account--State Appropriation . \$1,726,000
 23 Youth Tobacco Prevention Account--State Appropriation . . . \$1,806,000
 24 Accident Account--State Appropriation \$261,000
 25 Medical Aid Account--State Appropriation \$46,000
 26 Health Services Account--State Appropriation \$35,400,000
 27 Tobacco Prevention and Control Account--State
 28 Appropriation \$52,660,000
 29 TOTAL APPROPRIATION \$702,694,000

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

32 (1) The department or any successor agency is authorized to raise
 33 existing fees charged for health care assistants, commercial shellfish
 34 paralytic shellfish poisoning, commercial shellfish licenses, and
 35 newborn screening programs, in excess of the fiscal growth factor

1 established by Initiative Measure No. 601, if necessary, to meet the
2 actual costs of conducting business and the appropriation levels in
3 this section.

4 (2) \$1,684,000 of the general fund--state fiscal year 2004
5 appropriation and \$1,685,000 of the general fund--state fiscal year
6 2005 appropriation are provided solely for the implementation of the
7 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
8 DOH-03, and DOH-04.

9 (3) The department of social and health services and the department
10 of health should work together to identify opportunities for early
11 intervention and prevention activities that can help prevent disease
12 and reduce oral health issues among children. Disease prevention among
13 infants at the age of one year and among children entering the K-12
14 education system provide cost-effective ways to avoid higher health
15 spending later in life.

16 (4) The department of health and the health care authority should
17 work together to identify ways to make the most effective use of state,
18 local, and federal funds provided to community clinics. Better
19 coordination among agencies at various levels of government and among
20 various funding streams can help improve services provided to low-
21 income people through community clinics.

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

23 (1) ADMINISTRATION AND SUPPORT SERVICES

24	General Fund--State Appropriation (FY 2004)	\$36,074,000
25	General Fund--State Appropriation (FY 2005)	\$37,056,000
26	Public Safety and Education Account--State	
27	Appropriation	\$3,699,000
28	TOTAL APPROPRIATION	\$76,829,000

29 (2) CORRECTIONAL OPERATIONS

30	General Fund--State Appropriation (FY 2004)	\$430,141,000
31	General Fund--State Appropriation (FY 2005)	\$442,194,000
32	General Fund--Federal Appropriation	\$8,746,000
33	Violence Reduction and Drug Enforcement Account--State	
34	Appropriation	\$2,984,000
35	TOTAL APPROPRIATION	\$884,065,000

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

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

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

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

20 (3) COMMUNITY SUPERVISION

21	General Fund--State Appropriation (FY 2004)	\$62,181,000
22	General Fund--State Appropriation (FY 2005)	\$63,655,000
23	Public Safety and Education Account--State	
24	Appropriation	\$15,492,000
25	TOTAL APPROPRIATION	\$144,648,000

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

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

33 (b) \$75,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$75,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the department of corrections
36 to contract with the institute for public policy for responsibilities
37 assigned in chapter 196, Laws of 1999 (offender accountability act) and

1 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
2 sentencing).

3 (4) CORRECTIONAL INDUSTRIES

4	General Fund--State Appropriation (FY 2004)	\$652,000
5	General Fund--State Appropriation (FY 2005)	\$667,000
6	TOTAL APPROPRIATION	\$1,319,000

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

16 (5) INTERAGENCY PAYMENTS

17	General Fund--State Appropriation (FY 2004)	\$24,752,000
18	General Fund--State Appropriation (FY 2005)	\$24,787,000
19	TOTAL APPROPRIATION	\$49,539,000

20 **NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF SERVICES FOR THE**
21 **BLIND**

22	General Fund--State Appropriation (FY 2004)	\$1,825,000
23	General Fund--State Appropriation (FY 2005)	\$1,846,000
24	General Fund--Federal Appropriation	\$13,350,000
25	General Fund--Private/Local Appropriation	\$80,000
26	TOTAL APPROPRIATION	\$17,101,000

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

28	General Fund--State Appropriation (FY 2004)	\$741,000
29	General Fund--State Appropriation (FY 2005)	\$750,000
30	TOTAL APPROPRIATION	\$1,491,000

31 **NEW SECTION. Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

32	General Fund--Federal Appropriation	\$269,811,000
33	General Fund--Private/Local Appropriation	\$30,307,000
34	Unemployment Compensation Administration Account--	

1	Federal Appropriation	\$189,204,000
2	Administrative Contingency Account--State	
3	Appropriation	\$14,741,000
4	Employment Service Administrative Account--State	
5	Appropriation	\$21,151,000
6	TOTAL APPROPRIATION	\$525,214,000

(End of part)

PART III
NATURAL RESOURCES

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

General Fund--State Appropriation (FY 2004)	\$597,000
General Fund--State Appropriation (FY 2005)	\$608,000
General Fund--Private/Local Appropriation	\$770,000
TOTAL APPROPRIATION	\$1,975,000

The appropriations in this section are subject to the following conditions and limitations: \$205,000 of the general fund--state appropriation for fiscal year 2004 and \$205,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for grants to Washington Columbia River Gorge counties to implement their responsibilities under the national scenic area management plan. Of this amount, \$390,000 is provided for Skamania county and \$20,000 is provided for Clark county.

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

General Fund--State Appropriation (FY 2004)	\$33,750,000
General Fund--State Appropriation (FY 2005)	\$33,959,000
General Fund--Federal Appropriation	\$59,283,000
General Fund--Private/Local Appropriation	\$3,771,000
Special Grass Seed Burning Research Account--State Appropriation	\$14,000
Reclamation Account--State Appropriation	\$2,778,000
Flood Control Assistance Account--State Appropriation	\$2,031,000
State Emergency Water Projects Revolving Account--State Appropriation	\$556,000
Waste Reduction/Recycling/Litter Control--State Appropriation	\$13,779,000
State Drought Preparedness--State Appropriation	\$1,712,000
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation	\$603,000
Site Closure Account--State Appropriation	\$629,000
Water Quality Account--State Appropriation	\$24,962,000
Wood Stove Education and Enforcement Account--State Appropriation	\$357,000

1	Worker and Community Right-to-Know Account--State	
2	Appropriation	\$3,397,000
3	State Toxics Control Account--State Appropriation	\$59,721,000
4	State Toxics Control Account--Private/Local	
5	Appropriation	\$356,000
6	Local Toxics Control Account--State Appropriation	\$4,863,000
7	Water Quality Permit Account--State Appropriation	\$25,349,000
8	Underground Storage Tank Account--State Appropriation	\$2,747,000
9	Environmental Excellence Account--State Appropriation	\$504,000
10	Biosolids Permit Account--State Appropriation	\$793,000
11	Hazardous Waste Assistance Account--State Appropriation	\$4,216,000
12	Air Pollution Control Account--State Appropriation	\$1,676,000
13	Oil Spill Prevention Account--State Appropriation	\$9,237,000
14	Air Operating Permit Account--State Appropriation	\$3,687,000
15	Freshwater Aquatic Weeds Account--State Appropriation	\$2,507,000
16	Oil Spill Response Account--State Appropriation	\$7,078,000
17	Metals Mining Account--State Appropriation	\$19,000
18	Water Pollution Control Revolving Account--State	
19	Appropriation	\$384,000
20	Water Pollution Control Revolving Account--Federal	
21	Appropriation	\$1,894,000
22	TOTAL APPROPRIATION	\$306,612,000

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

25 (1) \$2,757,696 of the general fund--state appropriation for fiscal
26 year 2004, \$2,757,696 of the general fund--state appropriation for
27 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
28 \$2,581,000 of the state toxics account--state appropriation, \$217,830
29 of the water quality account--state appropriation, \$322,976 of the
30 state drought preparedness account--state appropriation, \$3,748,220 of
31 the water quality permit account--state appropriation, and \$704,942 of
32 the oil spill prevention account are provided solely for the
33 implementation of the Puget Sound work plan and agency action items
34 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

35 (2) \$4,059,000 of the state toxics control account appropriation is
36 provided solely for methamphetamine lab clean-up activities.

37 (3) \$800,000 of the state toxics control account appropriation is
38 provided solely to implement the department's persistent,

1 bioaccumulative toxic chemical strategy. \$54,000 of this amount shall
2 be allocated to the department of health to assist with this effort.
3 The department shall proceed with development of a chemical action plan
4 for Dioxin and Furans, consistent with the December 2000 proposed
5 strategy to continually reduce PBTs in Washington state. The plan is
6 to be completed by June 2005.

7 (4) \$170,000 of the oil spill prevention account appropriation is
8 provided solely for implementation of the Puget Sound work plan action
9 item UW-02 through a contract with the University of Washington's sea
10 grant program to develop an educational program targeted to small
11 spills from commercial fishing vessels, ferries, cruise ships, ports,
12 and marinas.

13 (5) \$1,600,000 of the general fund--federal appropriation for
14 fiscal year 2004 and \$1,400,000 of the oil spill prevention account
15 appropriation are provided solely for charter safety tug services. The
16 oil spill prevention account appropriation shall be placed in allotment
17 reserve and may only be used if federal funding or other state
18 mechanisms are not available as determined by the office of financial
19 management. Safety tug services shall include the placement of a
20 dedicated tug at Neah Bay for not less than 200 days in fiscal year
21 2004. The appropriations in this subsection are provided solely for
22 partial implementation of the Puget Sound work plan and agency action
23 item DOE-09. Ongoing federal funding shall be requested to provide
24 resources to station a dedicated rescue tug at Neah Bay.

25 (6) \$1,000,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$1,000,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for shoreline grants to local
28 governments as required by the shoreline settlement agreement.

29 (7) Fees approved by the department of ecology in the 2003-05
30 biennium are authorized to exceed the fiscal growth factor under RCW
31 43.135.055.

32 NEW SECTION. **Sec. 303. FOR THE STATE PARKS AND RECREATION**
33 **COMMISSION**

34	General Fund--State Appropriation (FY 2004)	\$26,563,000
35	General Fund--State Appropriation (FY 2005)	\$26,912,000
36	General Fund--Federal Appropriation	\$2,681,000
37	General Fund--Private/Local Appropriation	\$62,000

1	Winter Recreation Program Account--State Appropriation . . .	\$1,085,000
2	Off Road Vehicle Account--State Appropriation	\$193,000
3	Snowmobile Account--State Appropriation	\$4,677,000
4	Aquatic Lands Enhancement Account--State Appropriation . . .	\$339,000
5	Public Safety and Education Account--State Appropriation . . .	\$47,000
6	Parks Renewal and Stewardship Account--State	
7	Appropriation	\$42,080,000
8	TOTAL APPROPRIATION	\$104,639,000

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

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

14 (2) \$79,000 of the general fund--state appropriation for fiscal
15 year 2004, \$79,000 of the general fund--state appropriation for fiscal
16 year 2005, and \$8,000 of the winter recreation program account--state
17 appropriation are provided solely for a grant for the operation of the
18 Northwest avalanche center.

19 (3) \$191,000 of the aquatic lands enhancement account appropriation
20 is provided solely for the implementation of the Puget Sound work plan
21 and agency action item P+RC-02.

22 NEW SECTION. **Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR**
23 **RECREATION**

24	General Fund--State Appropriation (FY 2004)	\$1,750,000
25	General Fund--State Appropriation (FY 2005)	\$1,785,000
26	General Fund--Federal Appropriation	\$16,358,000
27	Salmon Recovery Account--State Appropriation	\$1,100,000
28	Water Quality Account--State Appropriation	\$200,000
29	Firearms Range Account--State Appropriation	\$22,000
30	Recreation Resources Account--State Appropriation	\$2,654,000
31	NOVA Program Account--State Appropriation	\$659,000
32	TOTAL APPROPRIATION	\$24,528,000

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

35 (1) \$250,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$250,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely to implement priority

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

6 (2) \$16,000,000 of the general fund--federal appropriation is
7 provided solely for implementation of the forest and fish agreement
8 rules. These funds will be passed through to the department of natural
9 resources and the department of fish and wildlife.

10 (3) \$41,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$41,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for the operation and maintenance
13 of the natural resources data portal.

14 (4) \$1,313,000 of the general fund--state appropriation for fiscal
15 year 2004, \$1,312,000 of the general fund--state appropriation for
16 fiscal year 2005, and \$1,100,000 of the salmon recovery account are
17 provided to the salmon recovery funding board for distribution to lead
18 entities, regional recovery boards, and regional fisheries enhancement
19 groups. The board shall establish policies to require coordination of
20 funding requests from lead entities, regional recovery boards, and
21 regional fisheries enhancement groups to ensure that recovery efforts
22 are synchronized. At the discretion of the board, funding shall be
23 concentrated in watersheds within the highest priority salmon recovery
24 regions as defined by the statewide strategy to recover salmon. The
25 board shall also coordinate funding decisions with the northwest power
26 planning council to ensure maximum efficiency and investment return.

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

28	General Fund--State Appropriation (FY 2004)	\$934,000
29	General Fund--State Appropriation (FY 2005)	\$988,000
30	TOTAL APPROPRIATION	\$1,922,000

31 NEW SECTION. **Sec. 306. FOR THE DEPARTMENT OF FISH AND WILDLIFE**

32	General Fund--State Appropriation (FY 2004)	\$42,638,000
33	General Fund--State Appropriation (FY 2005)	\$43,297,000
34	General Fund--Federal Appropriation	\$31,904,000
35	General Fund--Private/Local Appropriation	\$24,530,000
36	Off Road Vehicle Account--State Appropriation	\$346,000

1	Aquatic Lands Enhancement Account--State Appropriation . . .	\$5,687,000
2	Public Safety and Education Account--State Appropriation . . .	\$562,000
3	Recreational Fisheries Enhancement--State Appropriation . . .	\$3,432,000
4	Warm Water Game Fish Account--State Appropriation	\$2,610,000
5	Eastern Washington Pheasant Enhancement Account--State	
6	Appropriation	\$700,000
7	Wildlife Account--State Appropriation	\$56,664,000
8	Wildlife Account--Federal Appropriation	\$38,543,000
9	Wildlife Account--Private/Local Appropriation	\$15,290,000
10	Game Special Wildlife Account--State Appropriation	\$1,974,000
11	Game Special Wildlife Account--Federal Appropriation	\$9,627,000
12	Game Special Wildlife Account--Private/Local	
13	Appropriation	\$350,000
14	Environmental Excellence Account--State Appropriation	\$15,000
15	Regional Fisheries Salmonid Recovery Account--Federal	
16	Appropriation	\$1,752,000
17	Oil Spill Prevention Account--State Appropriation	\$992,000
18	Oyster Reserve Land Account--State Appropriation	\$137,000
19	TOTAL APPROPRIATION	\$281,050,000

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

22 (1) \$1,355,714 of the general fund--state appropriation for fiscal
23 year 2004, \$1,355,713 of the general fund--state appropriation for
24 fiscal year 2005, and \$402,000 of the wildlife account--state
25 appropriation are provided solely for the implementation of the Puget
26 Sound work plan and agency action items DFW-01 through DFW-06.

27 (2) \$150,000 of the wildlife account--state appropriation is
28 provided solely for the development and implementation of an agency
29 strategic marketing plan. The department shall contract for
30 professional services to develop the commission's strategic marketing
31 plan. Implementation of the watchable wildlife decal program, as
32 outlined in Z-0189.1/03, may not occur prior to the fish and wildlife
33 commission's approval of the final strategic marketing plan. This plan
34 shall be completed by September 3, 2004.

35 (3) \$225,000 of the general fund--state appropriation for fiscal
36 year 2004, \$225,000 of the general fund--state appropriation for fiscal
37 year 2005, and \$550,000 of the wildlife account--state appropriation

1 are provided solely for the implementation of hatchery reform
2 recommendations defined by the hatchery scientific review group.

3 (4) \$850,000 of the wildlife account--state appropriation is
4 provided solely for stewardship and maintenance needs on agency-owned
5 lands and water access sites.

6 (5) The department shall emphasize enforcement of laws related to
7 protection of fish habitat and the illegal harvest of salmon and
8 steelhead. Within the amount provided for the agency, the department
9 shall provide support to the department of health to enforce state
10 shellfish harvest laws.

11 (6) \$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 to implement recommendations of
14 the hydraulic approval task force. Activities to be implemented must
15 include an employee training program, additional programmatic
16 approaches to permitting, and enhancement of a post-project monitoring
17 program.

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 complete 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 NEW SECTION. **Sec. 307. FOR THE DEPARTMENT OF NATURAL RESOURCES**

2	General Fund--State Appropriation (FY 2004)	\$40,351,000
3	General Fund--State Appropriation (FY 2005)	\$37,698,000
4	General Fund--Federal Appropriation	\$2,732,000
5	General Fund--Private/Local Appropriation	\$2,482,000
6	Forest Development Account--State Appropriation	\$52,368,000
7	Off Road Vehicle Account--State Appropriation	\$3,575,000
8	Surveys and Maps Account--State Appropriation	\$2,791,000
9	Aquatic Lands Enhancement Account--State Appropriation . .	\$6,446,000
10	Resources Management Cost Account--State Appropriation . .	\$63,291,000
11	Surface Mining Reclamation Account--State Appropriation . .	\$2,327,000
12	Water Quality Account--State Appropriation	\$2,533,000
13	Aquatic Land Dredged Material Disposal Site Account--	
14	State Appropriation	\$1,368,000
15	Natural Resources Conservation Areas Stewardship Account--	
16	State Appropriation	\$83,000
17	Air Pollution Control Account--State Appropriation	\$530,000
18	Derelict Vessel Removal Account--State Appropriation . . .	\$1,129,000
19	Agricultural College Trust Management Account--State	
20	Appropriation	\$1,898,000
21	TOTAL APPROPRIATION	\$221,602,000

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

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

29 (2) \$895,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$895,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for deposit into the agricultural
32 college trust management account and are provided solely to manage
33 approximately 70,700 acres of Washington State University's
34 agricultural college trust lands.

35 (3) \$11,762,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$11,819,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for emergency fire suppression.

1 (4) \$582,000 of the aquatic lands enhancement account appropriation
2 is provided solely for spartina control.

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

6 (6) \$2,700,000 of the general fund--state appropriation for fiscal
7 year 2004 is provided solely for the department to meet its settlement
8 obligations with the SDS lumber company.

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

14 (8) Authority to expend funding for acquisition of technology
15 equipment and software associated with development of a new revenue
16 management system is conditioned on compliance with section 902 of this
17 act.

18 (9) \$1,000,000 of the aquatic lands enhancement account--state
19 appropriation is provided solely for the department to meet its
20 obligations with the U.S. Environmental Protection Agency for the
21 clean-up of the Thea Foss Waterway.

22 **NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF AGRICULTURE**

23	General Fund--State Appropriation (FY 2004)	\$9,412,000
24	General Fund--State Appropriation (FY 2005)	\$9,384,000
25	General Fund--Federal Appropriation	\$10,118,000
26	General Fund--Private/Local Appropriation	\$1,110,000
27	Aquatic Lands Enhancement Account--State Appropriation . .	\$1,926,000
28	Water Quality Account--State Appropriation	\$1,892,000
29	State Toxics Control Account--State Appropriation	\$2,584,000
30	TOTAL APPROPRIATION	\$36,426,000

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

33 (1) \$284,250 of the general fund--state appropriation for fiscal
34 year 2004 and \$284,250 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for implementation of the Puget
36 Sound work plan and agency action item WSDA-01 and WSDA-02.

1 (2) \$1,911,000 of the general fund--state appropriation for fiscal
2 year 2004, \$1,911,000 of the general fund--state appropriation for
3 fiscal year 2005, and \$1,892,000 of the water quality account--state
4 appropriation are provided solely for operation and administration of
5 grant programs and technical services to conservation districts
6 transferred to the department from the state conservation commission as
7 outlined in legislation enacted during the 2003 legislative session.

8 (3) Fees and assessments approved by the department in the 2003-05
9 biennium are authorized to exceed the fiscal growth factor under RCW
10 43.135.055.

11 NEW SECTION. **Sec. 309. FOR THE WASHINGTON POLLUTION LIABILITY**
12 **REINSURANCE PROGRAM**
13 Pollution Liability Insurance Program Trust
14 Account--State Appropriation \$1,023,000

(End of part)

PART IV
TRANSPORTATION

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

4	General Fund--State Appropriation (FY 2004)	\$5,093,000
5	General Fund--State Appropriation (FY 2005)	\$5,207,000
6	Architects' License Account--State Appropriation	\$700,000
7	Cemetery Account--State Appropriation	\$240,000
8	Professional Engineers' Account--State Appropriation	\$3,052,000
9	Real Estate Commission Account--State Appropriation	\$7,194,000
10	Master License Account--State Appropriation	\$9,183,000
11	Uniform Commercial Code Account--State Appropriation	\$3,018,000
12	Real Estate Education Account--State Appropriation	\$277,000
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	\$530,000
18	Geologists' Account--State Appropriation	\$4,000
19	Data Processing Revolving Account--State Appropriation	\$29,000
20	TOTAL APPROPRIATION	\$35,762,000

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)	\$20,379,000
35	General Fund--State Appropriation (FY 2005)	\$19,562,000

1	General Fund--Federal Appropriation	\$4,270,000
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	\$21,819,000
6	County Criminal Justice Assistance Account--State	
7	Appropriation	\$2,773,000
8	Municipal Criminal Justice Assistance Account--State	
9	Appropriation	\$1,153,000
10	Fire Service Trust Account--State Appropriation	\$128,000
11	Fire Service Training Account--State Appropriation	\$6,414,000
12	State Toxics Control Account--State Appropriation	\$441,000
13	Violence Reduction and Drug Enforcement Account--State	
14	Appropriation	\$286,000
15	Fingerprint Identification Account--State Appropriation	\$4,439,000
16	TOTAL APPROPRIATION	\$86,547,000

(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)	\$11,534,000
General Fund--State Appropriation (FY 2005)	\$11,696,000
General Fund--Federal Appropriation	\$15,612,000
TOTAL APPROPRIATION	\$38,842,000

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

 (a) \$10,615,000 of the general fund--state appropriation for fiscal year 2004 and \$11,777,000 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) \$503,000 of the general fund--state appropriation for fiscal year 2004 and \$503,000 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. Of this amount, \$150,000 is provided for certificate of mastery development and validation.

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

 (2) STATEWIDE PROGRAMS

General Fund--State Appropriation (FY 2004)	\$2,888,000
General Fund--State Appropriation (FY 2005)	\$2,884,000
General Fund--Federal Appropriation	\$65,680,000
TOTAL APPROPRIATION	\$71,452,000

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

 (a) HEALTH AND SAFETY

1 (i) A maximum of \$91,000 of the general fund--state appropriation
2 for fiscal year 2004 and a maximum of \$91,000 of the general fund--
3 state appropriation for fiscal year 2005 are provided for the school
4 safety center in the office of the superintendent of public instruction
5 subject to the following conditions and limitations.

6 (A) The safety center shall: Disseminate successful models of
7 school safety plans and cooperative efforts; provide assistance to
8 schools to establish a comprehensive safe school plan; select models of
9 cooperative efforts that have been proven successful; act as an
10 information dissemination and resource center when an incident occurs
11 in a school district either in Washington or in another state;
12 coordinate activities relating to school safety; review and approve
13 manuals and curricula used for school safety models and training; and
14 develop and maintain a school safety information web site.

15 (B) The superintendent of public instruction shall participate in
16 a school safety center advisory committee that includes representatives
17 of educators, classified staff, principals, superintendents,
18 administrators, the American society for industrial security, the state
19 criminal justice training commission, and others deemed appropriate and
20 approved by the school safety center advisory committee. Members of
21 the committee shall be chosen by the groups they represent. In
22 addition, the Washington association of sheriffs and police chiefs
23 shall appoint representatives of law enforcement to participate on the
24 school safety center advisory committee. The advisory committee shall
25 select a chair.

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

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

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

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

6 (b) TECHNOLOGY

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

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 \$97,000 of the general fund--state appropriation
26 for fiscal year 2004 and a maximum of \$97,000 of the general fund--
27 state appropriation for fiscal year 2005 are provided to support
28 vocational student leadership organizations.

29 (iii) \$1,433,000 of the general fund--federal appropriation is
30 provided for the advanced placement fee program to increase
31 opportunities for low-income students and under-represented populations
32 to participate in advanced placement courses and to increase the
33 capacity of schools to provide advanced placement courses to students.

34 (iv) \$9,510,000 of the general fund--federal appropriation is
35 provided for comprehensive school reform demonstration projects to
36 provide grants to low-income schools for improving student achievement
37 through adoption and implementation of research-based curricula and
38 instructional programs.

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

4 NEW SECTION. **Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC**
5 **INSTRUCTION--FOR GENERAL APPORTIONMENT**

6	General Fund--State Appropriation (FY 2004)	\$3,963,720,000
7	General Fund--State Appropriation (FY 2005)	\$3,992,899,000
8	TOTAL APPROPRIATION	\$7,956,619,000

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

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

14 (2) Allocations for certificated staff salaries for the 2003-04 and
15 2004-05 school years shall be determined using formula-generated staff
16 units calculated pursuant to this subsection. Staff allocations for
17 small school enrollments in (d) through (f) of this subsection shall be
18 reduced for vocational full-time equivalent enrollments. Staff
19 allocations for small school enrollments in grades K-6 shall be the
20 greater of that generated under (a) of this subsection, or under (d)
21 and (e) of this subsection. Certificated staffing allocations shall be
22 as follows:

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

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

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

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

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

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

16 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
17 excess of the amount required to maintain the statutory minimum ratio
18 established under RCW 28A.150.260(2)(b) shall be allocated only if the
19 district documents an actual ratio in grades K-4 equal to or greater
20 than 54 certificated instructional staff per thousand full-time
21 equivalent students. For any school district documenting a lower
22 certificated instructional staff ratio, the allocation shall be based
23 on the district's actual grades K-4 certificated instructional staff
24 ratio achieved in that school year, or the statutory minimum ratio
25 established under RCW 28A.150.260(2)(b), if greater;

26 (B) Districts at or above 51.0 certificated instructional staff per
27 one thousand full-time equivalent students in grades K-4 may dedicate
28 up to 1.3 of the 54 funding ratio to employ additional classified
29 instructional assistants assigned to basic education classrooms in
30 grades K-4. For purposes of documenting a district's staff ratio under
31 this section, funds used by the district to employ additional
32 classified instructional assistants shall be converted to a
33 certificated staff equivalent and added to the district's actual
34 certificated instructional staff ratio. Additional classified
35 instructional assistants, for the purposes of this subsection, shall be
36 determined using the 1989-90 school year as the base year;

37 (C) Any district maintaining a ratio in grades K-4 equal to or
38 greater than 54 certificated instructional staff per thousand full-time

1 equivalent students may use allocations generated under this subsection
2 (2)(a)(iv) and (v) in excess of that required to maintain the minimum
3 ratio established under RCW 28A.150.260(2)(b) to employ additional
4 basic education certificated instructional staff or classified
5 instructional assistants in grades 5-6. Funds allocated under this
6 subsection (2)(a)(iv) and (v) shall only be expended to reduce class
7 size in grades K-6. No more than 1.3 of the certificated instructional
8 funding ratio amount may be expended for provision of classified
9 instructional assistants;

10 (b) For school districts with a minimum enrollment of 250 full-time
11 equivalent students whose full-time equivalent student enrollment count
12 in a given month exceeds the first of the month full-time equivalent
13 enrollment count by 5 percent, an additional state allocation of 110
14 percent of the share that such increased enrollment would have
15 generated had such additional full-time equivalent students been
16 included in the normal enrollment count for that particular month;

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

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

22 (B) Skills center programs meeting the standards for skills center
23 funding established in January 1999 by the superintendent of public
24 instruction, 0.92 certificated instructional staff units and 0.08
25 certificated administrative units for each 16.67 full-time equivalent
26 vocational students; and

27 (ii) Vocational full-time equivalent enrollment shall be reported
28 on the same monthly basis as the enrollment for students eligible for
29 basic support, and payments shall be adjusted for reported vocational
30 enrollments on the same monthly basis as those adjustments for
31 enrollment for students eligible for basic support;

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

1 (i) For those enrolling no students in grades 7 and 8, 1.76
2 certificated instructional staff units and 0.24 certificated
3 administrative staff units for enrollment of not more than five
4 students, plus one-twentieth of a certificated instructional staff unit
5 for each additional student enrolled; and

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

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

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

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

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

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

32 (ii) For all other small high schools under this subsection, nine
33 certificated instructional staff units and one-half of a certificated
34 administrative staff unit for the first sixty average annual full time
35 equivalent students, and additional staff units based on a ratio of
36 0.8732 certificated instructional staff units and 0.1268 certificated
37 administrative staff units per each additional forty-three and one-half
38 average annual full time equivalent students.

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

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

10 (h) For each nonhigh school district having an enrollment of more
11 than fifty annual average full-time equivalent students and less than
12 one hundred eighty students, operating a grades K-6 program or a grades
13 1-6 program, an additional one-half of a certificated instructional
14 staff unit.

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

18 (a) For enrollments generating certificated staff unit allocations
19 under subsection (2)(d) through (h) of this section, one classified
20 staff unit for each three certificated staff units allocated under such
21 subsections;

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

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

29 (4) Fringe benefit allocations shall be calculated at a rate of
30 9.51 percent in the 2003-04 school year and 9.51 percent in the 2004-05
31 school year for certificated salary allocations provided under
32 subsection (2) of this section, and a rate of 12.77 percent in the
33 2003-04 school year and 12.77 percent in the 2004-05 school year for
34 classified salary allocations provided under subsection (3) of this
35 section.

36 (5) Insurance benefit allocations shall be calculated at the
37 maintenance rate specified in section 504(1) of this act, based on the
38 number of benefit units determined as follows:

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

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

9 (6)(a) For nonemployee-related costs associated with each
10 certificated staff unit allocated under subsection (2)(a), (b), and (d)
11 through (h) of this section, there shall be provided a maximum of
12 \$8,905 per certificated staff unit in the 2003-04 school year and a
13 maximum of \$9,154 per certificated staff unit in the 2004-05 school
14 year.

15 (b) For nonemployee-related costs associated with each vocational
16 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
17 section, there shall be provided a maximum of \$21,869 per certificated
18 staff unit in the 2003-04 school year and a maximum of \$22,481 per
19 certificated staff unit in the 2004-05 school year.

20 (c) For nonemployee-related costs associated with each vocational
21 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
22 section, there shall be provided a maximum of \$16,969 per certificated
23 staff unit in the 2003-04 school year and a maximum of \$17,444 per
24 certificated staff unit in the 2004-05 school year.

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

35 (8) Any school district board of directors may petition the
36 superintendent of public instruction by submission of a resolution
37 adopted in a public meeting to reduce or delay any portion of its basic
38 education allocation for any school year. The superintendent of public

1 instruction shall approve such reduction or delay if it does not impair
2 the district's financial condition. Any delay shall not be for more
3 than two school years. Any reduction or delay shall have no impact on
4 levy authority pursuant to RCW 84.52.0531 and local effort assistance
5 pursuant to chapter 28A.500 RCW.

6 (9) The superintendent may distribute a maximum of \$1,377,000
7 outside the basic education formula during fiscal years 2004 and 2005
8 as follows:

9 (a) For fire protection for school districts located in a fire
10 protection district as now or hereafter established pursuant to chapter
11 52.04 RCW, a maximum of \$502,000 may be expended in fiscal year 2004
12 and a maximum of \$516,000 may be expended in fiscal year 2005; and

13 (b) A maximum of \$359,000 may be expended for school district
14 emergencies.

15 (10) For purposes of RCW 84.52.0531, the increase per full-time
16 equivalent student is 3.3 percent from the 2002-03 school year to the
17 2003-04 school year and 2.5 percent from the 2003-04 school year to the
18 2004-05 school year.

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

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

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

33 NEW SECTION. **Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC**
34 **INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION.** (1) The following
35 calculations determine the salaries used in the general fund
36 allocations for certificated instructional, certificated

1 administrative, and classified staff units under section 502 of this
2 act:

3 (a) Salary allocations for certificated instructional staff units
4 shall be determined for each district by multiplying the district's
5 certificated instructional total base salary shown on LEAP Document 12E
6 for the appropriate year, by the district's average staff mix factor
7 for certificated instructional staff in that school year, computed
8 using LEAP Document 1S; and

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

13 (2) For the purposes of this section:

14 (a) "LEAP Document 1S" means the computerized tabulation
15 establishing staff mix factors for certificated instructional staff
16 according to education and years of experience, as developed by the
17 legislative evaluation and accountability program committee on March
18 25, 1999, at 16:55 hours; and

19 (b) "LEAP Document 12E" means the computerized tabulation of 2003-
20 04 and 2004-05 school year salary allocations for certificated
21 administrative staff and classified staff and derived and total base
22 salaries for certificated instructional staff as developed by the
23 legislative evaluation and accountability program committee on December
24 10, 2002, at 12:10 hours.

25 (3)(a) Pursuant to RCW 28A.150.410, the following statewide salary
26 allocation schedules for certificated instructional staff are
27 established for basic education salary allocations:

28 K-12 Salary Allocation Schedule For Certificated Instructional Staff
29 2003-04 School Year

30	Years of									MA+90
31	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD
32	0	28,300	29,064	29,856	30,649	33,196	34,836	33,929	36,476	38,118
33	1	28,680	29,455	30,257	31,086	33,659	35,291	34,306	36,879	38,510
34	2	29,327	30,117	30,936	31,837	34,428	36,093	35,025	37,616	39,280
35	3	30,293	31,107	31,950	32,899	35,536	37,274	36,089	38,725	40,464
36	4	30,975	31,833	32,690	33,681	36,360	38,129	36,840	39,519	41,288

1	5	31,682	32,553	33,427	34,483	37,179	39,001	37,610	40,307	42,129
2	6	32,091	32,943	33,847	34,956	37,639	39,470	38,023	40,706	42,537
3	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
4	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
5	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
6	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
7	11				41,243	44,196	46,344	44,309	47,263	49,410
8	12				42,545	45,642	47,854	45,707	48,708	50,921
9	13					47,123	49,401	47,154	50,189	52,467
10	14					48,611	51,006	48,644	51,775	54,073
11	15					49,876	52,333	49,908	53,121	55,479
12	16 or					50,873	53,379	50,906	54,183	56,588
13	more									

14 K-12 Salary Allocation Schedule For Certificated Instructional Staff
15 2004-05 School Year

16	Years of									MA+90
17	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD
18	0	28,300	29,064	29,856	30,649	33,196	34,836	33,929	36,476	38,118
19	1	28,680	29,455	30,257	31,086	33,659	35,291	34,306	36,879	38,510
20	2	29,327	30,117	30,936	31,837	34,428	36,093	35,025	37,616	39,280
21	3	30,293	31,107	31,950	32,899	35,536	37,274	36,089	38,725	40,464
22	4	30,975	31,833	32,690	33,681	36,360	38,129	36,840	39,519	41,288
23	5	31,682	32,553	33,427	34,483	37,179	39,001	37,610	40,307	42,129
24	6	32,091	32,943	33,847	34,956	37,639	39,470	38,023	40,706	42,537
25	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
26	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
27	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
28	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
29	11				41,243	44,196	46,344	44,309	47,263	49,410
30	12				42,545	45,642	47,854	45,707	48,708	50,921
31	13					47,123	49,401	47,154	50,189	52,467
32	14					48,611	51,006	48,644	51,775	54,073
33	15					49,876	52,333	49,908	53,121	55,479

1 education reform implementation, and shall not be considered part of
 2 basic education. The length of a learning improvement day shall not be
 3 less than the length of a full day under the base contract. The
 4 superintendent of public instruction shall ensure that school districts
 5 adhere to the intent and purposes of this subsection.

6 (7) The salary allocation schedules established in this section are
 7 for allocation purposes only except as provided in RCW 28A.400.200(2).

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

10	General Fund--State Appropriation (FY 2004)	\$32,102,000
11	General Fund--State Appropriation (FY 2005)	\$111,631,000
12	General Fund--Federal Appropriation	\$163,000
13	TOTAL APPROPRIATION	\$143,896,000

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

16 (1) \$143,896,000 is provided for adjustments to insurance benefit
 17 allocations. The maintenance rate for insurance benefit allocations is
 18 \$457.07 per month for the 2003-04 and 2004-05 school years. The
 19 appropriations in this section provide for a rate increase to \$496.69
 20 per month for the 2003-04 school year and \$584.69 per month for the
 21 2004-05 school year at the following rates:

	School Year	
	2003-04	2004-05
22		
23		
24	Pupil Transportation (per weighted pupil mile)	\$0.36 \$1.16
25	Highly Capable (per formula student)	\$2.42 \$7.86
26	Transitional Bilingual Education (per eligible bilingual student)	\$6.41 \$20.66
27	Learning Assistance (per entitlement unit)	\$5.04 \$16.24

28 (2) The rates specified in this section are subject to revision
 29 each year by the legislature.

30 NEW SECTION. **Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC**
 31 **INSTRUCTION--FOR PUPIL TRANSPORTATION**

32	General Fund--State Appropriation (FY 2004)	\$210,745,000
33	General Fund--State Appropriation (FY 2005)	\$214,874,000
34	TOTAL APPROPRIATION	\$425,619,000

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

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

6 (2) A maximum of \$778,000 of this fiscal year 2004 appropriation
7 and a maximum of \$800,000 of the fiscal year 2005 appropriation may be
8 expended for regional transportation coordinators and related
9 activities. The transportation coordinators shall ensure that data
10 submitted by school districts for state transportation funding shall,
11 to the greatest extent practical, reflect the actual transportation
12 activity of each district.

13 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
14 fiscal year 2005 appropriation are provided solely for the
15 transportation of students enrolled in "choice" programs.
16 Transportation shall be limited to low-income students who are
17 transferring to "choice" programs solely for educational reasons.

18 (4) Allocations for transportation of students shall be based on
19 reimbursement rates of \$39.47 per weighted mile in the 2003-04 school
20 year and \$39.81 per weighted mile in the 2004-05 school year exclusive
21 of salary and benefit adjustments, if any, provided in section 504 of
22 this act. Allocations for transportation of students transported more
23 than one radius mile shall be based on weighted miles as determined by
24 superintendent of public instruction multiplied by the per mile
25 reimbursement rates for the school year pursuant to the formulas
26 adopted by the superintendent of public instruction. Allocations for
27 transportation of students living within one radius mile shall be based
28 on the number of enrolled students in grades kindergarten through five
29 living within one radius mile of their assigned school multiplied by
30 the per mile reimbursement rate for the school year multiplied by 1.29.

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)	\$437,465,000
13	General Fund--State Appropriation (FY 2005)	\$441,994,000
14	General Fund--Federal Appropriation	\$410,177,000
15	TOTAL APPROPRIATION	\$1,289,636,000

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 funds to school districts based on two categories: The optional birth
8 through age two program for special education eligible developmentally
9 delayed infants and toddlers, and the mandatory special education
10 program for special education eligible students ages three to twenty-
11 one. A "special education eligible student" means a student receiving
12 specially designed instruction in accordance with a properly formulated
13 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)	\$3,036,000
20	General Fund--State Appropriation (FY 2005)	\$3,036,000
21	TOTAL APPROPRIATION	\$6,072,000

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)	\$159,591,000
29	General Fund--State Appropriation (FY 2005)	\$162,309,000
30	TOTAL APPROPRIATION	\$321,900,000

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

33	General Fund--State Appropriation (FY 2004)	\$18,506,000
34	General Fund--State Appropriation (FY 2005)	\$18,645,000
35	TOTAL APPROPRIATION	\$37,151,000

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) \$211,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$216,000 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)	\$5,687,000
34	General Fund--State Appropriation (FY 2005)	\$5,541,000
35	TOTAL APPROPRIATION	\$11,228,000

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 \$334.51 per funded student for the 2003-04 school year and \$334.51 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.

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) \$33,705,000
General Fund--State Appropriation (FY 2005) \$33,893,000
General Fund--Federal Appropriation \$128,402,000
TOTAL APPROPRIATION \$196,000,000

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

(1) \$310,000 of the general fund--state appropriation for fiscal year 2004 and \$310,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the academic achievement and accountability commission.

(2) \$15,524,000 of the general fund--state appropriation for fiscal year 2004, \$13,742,000 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.

(3) \$2,348,000 of the general fund--state appropriation for fiscal year 2004 and \$2,348,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for mentor teacher assistance,

1 including state support activities, under RCW 28A.415.250 and
2 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
3 this subsection may be used each fiscal year to operate a mentor
4 academy to help districts provide effective training for peer mentors.
5 Funds for the teacher assistance program shall be allocated to school
6 districts based on the number of first year beginning teachers.

7 (a) A teacher assistance program is a program that provides to a
8 first year beginning teacher peer mentor services that include but are
9 not limited to:

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

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

17 (iii) The provision by peer mentors of strategies, training, and
18 guidance in critical areas such as classroom management, student
19 discipline, curriculum management, instructional skill, assessment,
20 communication skills, and professional conduct. A district may provide
21 these components through a variety of means including one-on-one
22 contact and workshops offered by peer mentors to groups, including
23 cohort groups, of beginning teachers;

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

29 (v) Assistance in the incorporation of the essential academic
30 learning requirements into instructional plans and in the development
31 of complex teaching strategies, including strategies to raise the
32 achievement of students with diverse learning styles and backgrounds;
33 and

34 (vi) Guidance and assistance in the development and implementation
35 of a professional growth plan. The plan shall include a professional
36 self-evaluation component and one or more informal performance
37 assessments. A peer mentor may not be involved in any evaluation under

1 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
2 assisted through this program.

3 (b) In addition to the services provided in (a) of this subsection,
4 an eligible peer mentor program shall include but is not limited to the
5 following components:

6 (i) Strong collaboration among the peer mentor, the beginning
7 teacher's principal, and the beginning teacher;

8 (ii) Stipends for peer mentors and, at the option of a district,
9 for beginning teachers. The stipends shall not be deemed compensation
10 for the purposes of salary lid compliance under RCW 28A.400.200 and are
11 not subject to the continuing contract provisions of Title 28A RCW; and

12 (iii) To the extent that resources are available for this purpose
13 and that assistance to beginning teachers is not adversely impacted,
14 the program may serve second year and more experienced teachers who
15 request the assistance of peer mentors.

16 (4) \$1,959,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$1,959,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided for improving technology infrastructure,
19 monitoring and reporting on school district technology development,
20 promoting standards for school district technology, promoting statewide
21 coordination and planning for technology development, and providing
22 regional educational technology support centers, including state
23 support activities, under chapter 28A.650 RCW. The superintendent of
24 public instruction shall coordinate a process to facilitate the
25 evaluation and provision of online curriculum courses to school
26 districts which includes the following: Creation of a general listing
27 of the types of available online curriculum courses; a survey conducted
28 by each regional educational technology support center of school
29 districts in its region regarding the types of online curriculum
30 courses desired by school districts; a process to evaluate and
31 recommend to school districts the best online courses in terms of
32 curriculum, student performance, and cost; and assistance to school
33 districts in procuring and providing the courses to students.

34 (5) \$2,500,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$2,500,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for the meals for kids program
37 under RCW 28A.235.145 through 28A.235.155.

1 (6) \$1,764,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,764,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the mathematics helping corps
4 subject to the following conditions and limitations:

5 (a) In order to increase the availability and quality of technical
6 mathematics assistance statewide, the superintendent of public
7 instruction shall employ mathematics school improvement specialists to
8 provide assistance to schools and districts. The specialists shall be
9 hired by and work under the direction of a statewide school improvement
10 coordinator. The mathematics improvement specialists shall serve on a
11 rotating basis from one to four years and shall not be permanent
12 employees of the superintendent of public instruction.

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

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

16 (ii) Consultation with schools and districts concerning their
17 performance on the Washington assessment of student learning and other
18 assessments emphasizing the performance on the mathematics assessments;

19 (iii) Consultation concerning curricula that aligns with the
20 essential academic learning requirements emphasizing the academic
21 learning requirements for mathematics, the Washington assessment of
22 student learning, and meets the needs of diverse learners;

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

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

27 (vi) Assistance in developing and implementing family and community
28 involvement programs emphasizing mathematics; and

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

31 (7) \$3,713,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$3,713,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the Washington reading corps
34 subject to the following conditions and limitations:

35 (a) Grants shall be allocated to schools and school districts to
36 implement proven, research-based mentoring and tutoring programs in
37 reading for low-performing students in grades K-6. If the grant is

1 made to a school district, the principals of schools enrolling targeted
2 students shall be consulted concerning design and implementation of the
3 program.

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

7 (c) Two or more schools may combine their Washington reading corps
8 programs.

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

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

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

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

19 (iv) It has measurable goals for student reading aligned with the
20 essential academic learning requirements; and

21 (v) It contains an evaluation component to determine the
22 effectiveness of the program.

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

24 (f) Beginning and end-of-program testing data shall be available to
25 determine the effectiveness of funded programs and practices. Common
26 evaluative criteria across programs, such as grade-level improvements
27 shall be available for each reading corps program. The superintendent
28 of public instruction shall provide program evaluations to the governor
29 and the appropriate committees of the legislature. Administrative and
30 evaluation costs may be assessed from the annual appropriation for the
31 program.

32 (g) Grants provided under this section may be used by schools and
33 school districts for expenditures from September 2003 through August
34 31, 2005.

35 (8) \$1,564,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$2,497,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for salary bonuses for teachers

1 who attain certification by the national board for professional
2 teaching standards, subject to the following conditions and
3 limitations:

4 (a) Teachers who hold a valid certificate from the national board
5 during the 2003-04 or 2004-05 school years shall receive an annual
6 bonus not to exceed \$3,500 each of these school years in which they
7 hold a valid national board certificate.

8 (b) The annual bonus shall be paid in a lump sum amount.

9 (9) \$313,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$313,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided for a principal support program. The
12 office of the superintendent of public instruction may contract with an
13 independent organization to administer the program. The program shall
14 include: (a) Development of an individualized professional growth plan
15 for a new principal or principal candidate; and (b) participation of a
16 mentor principal who works over a period of between one and three years
17 with the new principal or principal candidate to help him or her build
18 the skills identified as critical to the success of the professional
19 growth plan.

20 (10) \$70,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$70,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the second grade reading test.
23 The funds shall be expended for assessment training for new second
24 grade teachers and replacement of assessment materials.

25 (11) A maximum of \$268,000 of the general fund--state appropriation
26 for fiscal year 2004 and a maximum of \$305,000 of the general fund--
27 state appropriation for fiscal year 2005 are provided for the
28 superintendent to assist schools in implementing high academic
29 standards, aligning curriculum with these standards, and training
30 teachers to use assessments to improve student learning. Funds may
31 also be used to increase community and parental awareness of education
32 reform.

33 (12) \$126,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$126,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided for the development and posting of web-
36 based instructional tools, assessment data, and other information that
37 assists schools and teachers implementing higher academic standards.

1 (13) \$3,246,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$4,246,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to the office of the
4 superintendent of public instruction for focused assistance to schools.
5 The office of the superintendent of public instruction shall conduct
6 educational audits of low-performing schools and enter into performance
7 agreements between school districts and the office to implement the
8 recommendations of the audit and the community. Of the amounts
9 provided, \$350,000 of the fiscal year 2004 appropriation and \$350,000
10 of the fiscal year 2005 appropriation are provided to the office of the
11 superintendent of public instruction for the administrative duties
12 arising under this subsection. Each educational audit shall include
13 recommendations for best practices and ways to address identified needs
14 and shall be presented to the community in a public meeting to seek
15 input on ways to implement the audit and its recommendations.

16 (14) \$87,901,000 of the general fund--federal appropriation is
17 provided for preparing, training, and recruiting high quality teachers
18 and principals under Title II of the elementary and secondary education
19 act.

20 (15) \$25,046,000 of the general fund--federal appropriation is
21 provided for the reading first program under Title I of the elementary
22 and secondary education act.

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

25	General Fund--State Appropriation (FY 2004)	\$49,665,000
26	General Fund--State Appropriation (FY 2005)	\$51,911,000
27	General Fund--Federal Appropriation	\$46,309,000
28	TOTAL APPROPRIATION	\$147,885,000

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

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

34 (2) The superintendent shall distribute a maximum of \$724.10 per
35 eligible bilingual student in the 2003-04 school year and \$724.10 in
36 the 2004-05 school year, exclusive of salary and benefit adjustments,
37 if any, provided in section 504 of this act.

1 (3) The superintendent may withhold up to \$700,000 in school year
2 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
3 eligible pupil rates in subsection (2) of this section accordingly, for
4 the central provision of assessments as provided in RCW 28A.180.090 (1)
5 and (2).

6 (4) \$70,000 of the amounts appropriated in this section is provided
7 solely to develop a system for the tracking of current and former
8 transitional bilingual program students.

9 (5) The general fund--federal appropriation in this section is
10 provided for migrant education under Title I, Part C and English
11 language acquisition and language enhancement grants under Title III of
12 the elementary and secondary education act.

13 NEW SECTION. **Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC**
14 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

15	General Fund--State Appropriation (FY 2004)	\$74,294,000
16	General Fund--State Appropriation (FY 2005)	\$76,228,000
17	General Fund--Federal Appropriation	\$307,178,000
18	TOTAL APPROPRIATION	\$457,700,000

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

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

24 (2) Funding for school district learning assistance programs shall
25 be allocated at maximum rates of \$433.27 per funded unit for the 2003-
26 04 school year and \$434.58 per funded unit for the 2004-05 school year
27 exclusive of salary and benefit adjustments, if any, provided under
28 section 504 of this act.

29 (3) A school district's funded units for the 2003-04 and 2004-05
30 school years shall be the sum of the following:

31 (a) The district's percentage of October headcount enrollment in
32 grades K-12 eligible for free and reduced price lunch multiplied by the
33 district's K-12 annual average full-time equivalent enrollment for the
34 current school year multiplied by 40 percent; and

35 (b) If, in the prior school year, the district's percentage of
36 October headcount enrollment in grades K-12 eligible for free and
37 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 60 percent.

5 (4) In addition to amounts allocated under subsection (3) of this
6 section, the superintendent of public instruction shall provide
7 additional amounts as follows:

8 (a) For the 2003-04 school year, when a school district's
9 allocation from subsection (3) of this section is less than the
10 district's 2002-03 allocation for the learning assistance program, the
11 difference between the 2002-03 school year allocation and the 2003-04
12 school year allocation as calculated in subsection (3) of this section;
13 and

14 (b) For the 2004-05 school year, when a school district's
15 allocation from subsection (3) of this section is less than the
16 district's 2002-03 allocation for the learning assistance program, the
17 difference between the 2002-03 school year allocation and the 2004-05
18 school year allocation as calculated in subsection (3) of this section.

19 (5) The general fund--federal appropriation in this section is
20 provided for Title I, Part A allocations of the elementary and
21 secondary education act.

22 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
23 **INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM**

24	Student Achievement Fund--State Appropriation (FY 2004)	. \$210,737,000
25	Student Achievement Fund--State Appropriation (FY 2005)	. \$211,139,000
26	TOTAL APPROPRIATION	\$421,876,000

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

29 (1) The appropriation is allocated for the following uses as
30 specified in RCW 28A.505.210:

31 (a) To reduce class size by hiring certificated elementary
32 classroom teachers in grades K-4 and paying nonemployee-related costs
33 associated with those new teachers;

34 (b) To make selected reductions in class size in grades 5-12, such
35 as small high school writing classes;

36 (c) To provide extended learning opportunities to improve student
37 academic achievement in grades K-12, including, but not limited to,

1 extended school year, extended school day, before-and-after-school
2 programs, special tutoring programs, weekend school programs, summer
3 school, and all-day kindergarten;

4 (d) To provide additional professional development for educators
5 including additional paid time for curriculum and lesson redesign and
6 alignment, training to ensure that instruction is aligned with state
7 standards and student needs, reimbursement for higher education costs
8 related to enhancing teaching skills and knowledge, and mentoring
9 programs to match teachers with skilled, master teachers. The funding
10 shall not be used for salary increases or additional compensation for
11 existing teaching duties, but may be used for extended year and extend
12 day teaching contracts;

13 (e) To provide early assistance for children who need
14 prekindergarten support in order to be successful in school; or

15 (f) To provide improvements or additions to school building
16 facilities which are directly related to the class size reductions and
17 extended learning opportunities under (a) through (c) of this
18 subsection.

19 (2) Funding for school district student achievement programs shall
20 be allocated at a maximum rate of \$219.78 per FTE student for the 2003-
21 04 school year and \$220.00 per FTE student for the 2004-05 school year.
22 For the purposes of this section and in accordance with RCW 84.52.068,
23 FTE student refers to the annual average full-time equivalent
24 enrollment of the school district in grades kindergarten through twelve
25 for the prior school year.

26 (3) The office of the superintendent of public instruction shall
27 distribute ten percent of the annual allocation to districts each month
28 for the months of September through June.

29 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
30 **ADJUSTMENTS.** State general fund appropriations provided to the
31 superintendent of public instruction for state entitlement programs in
32 the public schools in this part V of this act may be expended as needed
33 by the superintendent for adjustments to apportionment for prior fiscal
34 periods. Recoveries of state general fund moneys from school districts
35 and educational service districts for a prior fiscal period shall be
36 made as reductions in apportionment payments for the current fiscal
37 period and shall be shown as prior year adjustments on apportionment

1 reports for the current period. Such recoveries shall not be treated
2 as revenues to the state, but as a reduction in the amount expended
3 against the appropriation for the current fiscal period.

4 NEW SECTION. **Sec. 518. FOR THE STATE BOARD OF EDUCATION**

5 Education Savings Account--State Appropriation	\$27,000,000
6 Education Construction Account--State Appropriation	\$104,000,000
7 TOTAL APPROPRIATION	\$131,000,000

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

10 (1) \$13,500,000 in fiscal year 2004 and \$13,500,000 in fiscal year
11 2005 of the education savings account appropriation shall be deposited
12 in the common school construction account.

13 (2) \$104,000,000 of the education construction account
14 appropriation shall be deposited in the common school construction
15 account.

(End of part)

PART VI
HIGHER EDUCATION

1
2
3 NEW SECTION. **Sec. 601.** The appropriations in sections 603 through
4 609 of this act are subject to the following conditions and
5 limitations:

6 (1) "Institutions" means the institutions of higher education
7 receiving appropriations under sections 603 through 609 of this act.

8 (2) The tuition fees, as defined in chapter 28B.15 RCW, charged to
9 full-time students at the state's colleges and universities for the
10 2003-04 and 2004-05 academic years, other than the summer term, shall
11 be increased or decreased by the governing boards of the state
12 universities, regional universities, The Evergreen State College, and
13 the state board for community and technical colleges. Tuition fees may
14 be increased in excess of the fiscal growth factor.

15 For the 2003-04 academic year the governing boards of the state
16 universities, regional universities, The Evergreen State College, and
17 the state board for community and technical colleges may implement an
18 increase no greater than nine percent over tuition fees charged to
19 full-time resident undergraduate students for the 2002-03 academic
20 year.

21 For the 2004-05 academic year the governing boards of the state
22 universities, regional universities, The Evergreen State College, and
23 the state board for community and technical colleges may implement an
24 increase no greater than nine percent over tuition fees charged to
25 full-time resident undergraduate students for the 2003-04 academic
26 year.

27 (3) For the 2003-05 biennium, the state board for community and
28 technical colleges may increase tuition fees differentially based on
29 student credit hour load at their discretion.

30 (4) For the 2003-05 biennium, the governing boards and the state
31 board may adjust full-time operating fees for factors that may include
32 time of day and day of week, as well as delivery method and campus, to
33 encourage full use of the state's educational facilities and resources.

34 (5) The governing boards and the state board are encouraged to
35 reduce waiver activity in recognition of the need to retain available
36 resources to preserve the educational quality of higher education

1 institutions. State general fund appropriations shall not be provided
2 to replace tuition and fee revenue foregone as a result of waivers
3 granted under authority of RCW 28B.15.915.

4 (6) Pursuant to RCW 43.135.055, institutions of higher education
5 receiving appropriations under sections 603 through 609 of this act are
6 authorized to increase summer term tuition in excess of the fiscal
7 growth factor during the 2003-05 biennium. Tuition levels increased
8 pursuant to this subsection shall not exceed the per credit hour rate
9 calculated from the academic year tuition levels adopted under this
10 act.

11 (7) Community colleges may increase services and activities fee
12 charges in excess of the fiscal growth factor up to the maximum level
13 authorized by the state board for community and technical colleges.

14 (8) Each institution receiving appropriations under sections 604
15 through 609 of this act shall submit a biennial plan to achieve
16 measurable and specific improvements each academic year as part of a
17 continuing effort to make meaningful and substantial progress towards
18 the achievement of long-term performance goals. The plans, to be
19 prepared at the direction of the higher education coordinating board,
20 shall be submitted by August 15, 2003. The higher education
21 coordinating board shall set biennial performance targets for each
22 institution and shall review actual achievements annually.
23 Institutions shall track their actual performance on the statewide
24 measures as well as faculty productivity, the goals and targets for
25 which may be unique to each institution. A report on progress towards
26 statewide and institution-specific goals, with recommendations for the
27 ensuing biennium, shall be submitted to the fiscal and higher education
28 committees of the legislature by November 15, 2005.

29 (9) The state board for community and technical colleges shall
30 develop a biennial plan to achieve measurable and specific improvements
31 each academic year as part of a continuing effort to make meaningful
32 and substantial progress to achieve long-term performance goals. The
33 board shall set biennial performance targets for each college or
34 district, where appropriate, and shall review actual achievements
35 annually. Colleges shall track their actual performance on the
36 statewide measures. A report on progress towards the statewide goals,
37 with recommendations for the ensuing biennium, shall be submitted to

1 the fiscal and higher education committees of the legislature by
 2 November 15, 2005.

3 NEW SECTION. **Sec. 602.** The appropriations in sections 603 through
 4 609 of this act provide state general fund support for full-time
 5 equivalent student enrollments at each institution of higher education.
 6 Listed below are the annual full-time equivalent student enrollments by
 7 institutions assumed in this act.

	2003-04	2004-05
	Annual	Annual
	Average	Average
11 University of Washington		
12		
13 Main campus	32,427	32,427
14 Bothell branch	1,235	1,235
15 Tacoma branch	1,484	1,484
16		
17 Washington State University		
18		
19 Main campus	17,332	17,332
20 Spokane branch	593	593
21 Tri-Cities branch	616	616
22 Vancouver branch	1,153	1,153
23		
24 Central Washington University	7,470	7,470
25 Eastern Washington University	8,017	8,017
26 The Evergreen State College	3,837	3,837
27 Western Washington University	11,126	11,126
28 State Board for Community and Technical Colleges	126,872	126,872

29 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**
 30 **TECHNICAL COLLEGES**

31 General Fund--State Appropriation (FY 2004)	\$513,586,000
32 General Fund--State Appropriation (FY 2005)	\$506,730,000
33 TOTAL APPROPRIATION	\$1,020,316,000

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

3 (1) The technical colleges may increase tuition and fees in excess
4 of the fiscal growth factor to conform with the percentage increase in
5 community college operating fees.

6 (2) \$1,650,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$3,350,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely to increase salaries and related
9 benefits for part-time faculty. The board shall report by January 30
10 of each fiscal year to the office of financial management and
11 legislative fiscal and higher education committees on (a) the
12 distribution of state funds; (b) wage adjustments for part-time
13 faculty; and (c) progress to achieve the long-term performance targets
14 for each district, with respect to use of part-time faculty, pursuant
15 to the faculty mix study conducted under section 603, chapter 309, Laws
16 of 1999.

17 (3) Salary and benefit savings from faculty turnover may be used to
18 provide faculty salary increments and associated benefits.

19 (4) \$1,000,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$1,000,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided for a program to fund the start-up of new
22 community and technical college programs in rural counties as defined
23 under RCW 43.160.020(12) and in communities impacted by business
24 closures and job reductions. Successful proposals must respond to
25 local economic development strategies and must include a plan to
26 continue programs developed with this funding.

27 (5) \$640,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$640,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for allocation to twelve college
30 districts identified in (a) through (l) of this subsection to prepare
31 students for transfer to the state technology institute at the Tacoma
32 branch campus of the University of Washington. The appropriations in
33 this section are intended to supplement, not supplant, general
34 enrollment allocations by the board to the districts under (a) through
35 (l) of this subsection:

- 36 (a) Bates Technical College;
- 37 (b) Bellevue Community College;
- 38 (c) Centralia Community College;

- 1 (d) Clover Park Community College;
- 2 (e) Grays Harbor Community College;
- 3 (f) Green River Community College;
- 4 (g) Highline Community College;
- 5 (h) Tacoma Community College;
- 6 (i) Olympic Community College;
- 7 (j) Pierce District;
- 8 (k) Seattle District; and
- 9 (l) South Puget Sound Community College.

10 (6) \$28,761,000 of the general fund--state appropriation for fiscal
11 year 2004, \$28,761,000 of the general fund--state appropriation for
12 fiscal year 2005, are provided solely as special funds for training and
13 related support services, including financial aid, as specified in
14 chapter 226, Laws of 1993 (employment and training for unemployed
15 workers). Funding is provided to support up to 7,200 full-time
16 equivalent students in each fiscal year.

17 (7) \$1,000,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$1,000,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for tuition support for students
20 enrolled in work-based learning programs.

21 (8) \$567,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$568,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for administration and customized
24 training contracts through the job skills program.

25 (9) \$50,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$50,000 of the general fund--state appropriation for
27 fiscal year 2005 are solely for higher education student child care
28 matching grants under chapter 28B.135 RCW.

29 (10) \$120,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$120,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided for allocation to Olympic college. The
32 college shall contract with accredited baccalaureate institution(s) to
33 bring a program of upper-division courses to Bremerton. The state
34 board for community and technical colleges shall report to the office
35 of financial management and the fiscal and higher education committees
36 of the legislature on the implementation of this subsection by December
37 1st of each fiscal year.

1 NEW SECTION. **Sec. 604. FOR UNIVERSITY OF WASHINGTON**

2	General Fund--State Appropriation (FY 2004)	\$324,029,000
3	General Fund--State Appropriation (FY 2005)	\$311,306,000
4	Death Investigations Account--State Appropriation	\$258,000
5	Accident Account--State Appropriation	\$5,963,000
6	Medical Aid Account--State Appropriation	\$5,974,000
7	TOTAL APPROPRIATION	\$647,530,000

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

10 (1) \$1,875,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$1,875,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely to create a state resource for
13 technology education in the form of an institute located at the
14 University of Washington, Tacoma. It is the intent of the legislature
15 that at least ninety-nine of the full-time equivalent enrollments
16 allocated to the university's Tacoma branch campus for each academic
17 year may be used to establish the technology institute. The university
18 will expand undergraduate and graduate degree programs meeting regional
19 technology needs including, but not limited to, computing and software
20 systems. As a condition of these appropriations:

21 (a) The university will work with the state board for community and
22 technical colleges, or individual colleges where necessary, to
23 establish articulation agreements in addition to the existing associate
24 of arts and associate of science transfer degrees. Such agreements
25 shall improve the transferability of students and in particular,
26 students with substantial applied information technology credits.

27 (b) The university will establish performance measures for
28 recruiting, retaining and graduating students, including nontraditional
29 students, and report back to the governor and legislature by September
30 2003 as to its progress and future steps.

31 (2) \$150,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$150,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for research faculty clusters in
34 the advanced technology initiative program.

35 (3) \$258,000 of the death investigations account appropriation is
36 provided solely for the forensic pathologist fellowship program.

37 (4) \$150,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$150,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for the implementation of the
3 Puget Sound work plan and agency action item UW-01.

4 (5) \$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 the Olympic natural resource
7 center.

8 (6) \$1,526,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$3,096,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for competitively offered
11 recruitment and retention salary adjustments for instructional and
12 research faculty, exempt professional staff, academic administrators,
13 academic librarians, counselors, teaching and research assistants, as
14 classified by the office of financial management, and all other
15 nonclassified staff, but not including employees under RCW 28B.16.015.
16 Tuition revenues may be expended in addition to those required by this
17 section to further provide recruitment and retention salary
18 adjustments.

19 NEW SECTION. **Sec. 605. FOR WASHINGTON STATE UNIVERSITY**

20	General Fund--State Appropriation (FY 2004)	\$187,389,000
21	General Fund--State Appropriation (FY 2005)	\$182,275,000
22	TOTAL APPROPRIATION	\$369,664,000

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

25 (1) \$150,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$150,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for research faculty clusters in
28 the advanced technology initiative program.

29 (2) \$165,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$166,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the implementation of the
32 Puget Sound work plan and agency action item WSU-01.

33 (3) \$949,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$1,927,000 of general fund--state appropriation for
35 fiscal year 2005 are provided solely for competitively offered
36 recruitment and retention salary adjustments for instructional and
37 research faculty, exempt professional staff, academic administrators,

1 academic librarians, counselors, teaching and research assistants, as
2 classified by the office of financial management, and all other
3 nonclassified staff, but not including employees under RCW 28B.16.015.
4 Tuition revenues may be expended in addition to those required by this
5 section to further provide recruitment and retention salary
6 adjustments.

7 NEW SECTION. **Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY**

8	General Fund--State Appropriation (FY 2004)	\$42,032,000
9	General Fund--State Appropriation (FY 2005)	\$40,312,000
10	TOTAL APPROPRIATION	\$82,344,000

11 The appropriations in this section are subject to the following
12 conditions and limitations: \$248,000 of the general fund--state
13 appropriation for fiscal year 2004 and \$503,000 of general fund--state
14 appropriation for fiscal year 2005 are provided solely for
15 competitively offered recruitment and retention salary adjustments for
16 instructional and research faculty, exempt professional staff, academic
17 administrators, academic librarians, counselors, teaching and research
18 assistants, as classified by the office of financial management, and
19 all other nonclassified staff, but not including employees under RCW
20 28B.16.015. Tuition revenues may be expended in addition to those
21 required by this section to further provide recruitment and retention
22 salary adjustments.

23 NEW SECTION. **Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

24	General Fund--State Appropriation (FY 2004)	\$40,414,000
25	General Fund--State Appropriation (FY 2005)	\$39,185,000
26	TOTAL APPROPRIATION	\$79,599,000

27 The appropriations in this section are subject to the following
28 conditions and limitations: \$206,000 of the general fund--state
29 appropriation for fiscal year 2004 and \$418,000 of general fund--state
30 appropriation for fiscal year 2005 are provided solely for
31 competitively offered recruitment and retention salary adjustments for
32 instructional and research faculty, exempt professional staff, academic
33 administrators, academic librarians, counselors, teaching and research
34 assistants, as classified by the office of financial management, and
35 all other nonclassified staff, but not including employees under RCW

1 28B.16.015. Tuition revenues may be expended in addition to those
2 required by this section to further provide recruitment and retention
3 salary adjustments.

4 NEW SECTION. **Sec. 608. FOR THE EVERGREEN STATE COLLEGE**

5	General Fund--State Appropriation (FY 2004)	\$23,430,000
6	General Fund--State Appropriation (FY 2005)	\$22,600,000
7	TOTAL APPROPRIATION	\$46,030,000

8 The appropriations in this section are subject to the following
9 conditions and limitations: \$124,000 of the general fund--state
10 appropriation for fiscal year 2004 and \$252,000 of general fund--state
11 appropriation for fiscal year 2005 are provided solely for
12 competitively offered recruitment and retention salary adjustments for
13 instructional and research faculty, exempt professional staff, academic
14 administrators, academic librarians, counselors, teaching and research
15 assistants, as classified by the office of financial management, and
16 all other nonclassified staff, but not including employees under RCW
17 28B.16.015. Tuition revenues may be expended in addition to those
18 required by this section to further provide recruitment and retention
19 salary adjustments.

20 NEW SECTION. **Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**

21	General Fund--State Appropriation (FY 2004)	\$55,875,000
22	General Fund--State Appropriation (FY 2005)	\$53,910,000
23	TOTAL APPROPRIATION	\$109,785,000

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

26 (1) \$980,400 of the general fund--state appropriation for fiscal
27 year 2004 and \$980,400 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the operations of the North
29 Snohomish, Island, Skagit (NSIS) higher education consortium.

30 (2) \$248,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$503,000 of general fund--state appropriation for fiscal
32 year 2005 are provided solely for competitively offered recruitment and
33 retention salary adjustments for instructional and research faculty,
34 exempt professional staff, academic administrators, academic
35 librarians, counselors, teaching and research assistants, as classified
36 by the office of financial management, and all other nonclassified

1 staff, but not including employees under RCW 28B.16.015. Tuition
2 revenues may be expended in addition to those required by this section
3 to further provide recruitment and retention salary adjustments.

4 NEW SECTION. **Sec. 610. FOR THE HIGHER EDUCATION COORDINATING**
5 **BOARD--POLICY COORDINATION AND ADMINISTRATION**

6	General Fund--State Appropriation (FY 2004)	\$7,484,000
7	General Fund--State Appropriation (FY 2005)	\$17,004,000
8	General Fund--Federal Appropriation	\$635,000
9	TOTAL APPROPRIATION	\$25,123,000

10 The appropriations in this section are provided to carry out the
11 policy coordination, planning, studies and administrative functions of
12 the board and are subject to the following conditions and limitations:
13 \$5,280,000 of the general fund--state appropriation for fiscal year
14 2004 and \$14,880,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to contract for 550 full-time
16 equivalent students in high-demand fields in fiscal year 2004 and 1,000
17 full-time equivalent students in high-demand fields in fiscal year
18 2005. High-demand fields are programs where enrollment access is
19 limited and employers are experiencing difficulty finding enough
20 qualified graduates to fill job openings.

21 The board will manage a competitive process for awarding high-
22 demand student FTEs. Public community and technical colleges and
23 baccalaureate institutions are eligible to apply for funding. Priority
24 will go to competitive proposals that include cooperative partnerships
25 and articulation agreements between universities and community and
26 technical colleges. The board shall make it a priority to fund
27 proposals that prepare students for careers in the health services,
28 veterinary medicine, engineering, teaching, and information technology.
29 Proposals that document specific regional student and employer demand
30 in other fields are also eligible for funding. Proposals and grant
31 awards will separately identify one-time, nonrecurring costs and
32 on-going costs.

33 The board will establish a proposal review committee that will
34 include representatives from the board, the office of financial
35 management, out-of-state higher education institutions or associations,
36 industry and labor associations, and economic development and labor

1 market analysts. The board will develop the request for proposals,
2 including the criteria for awarding grants, in consultation with the
3 proposal review committee.

4 Colleges and universities that receive grants will provide the
5 board with data specified by the board that shows the impact of this
6 subsection, particularly the degree of improved access to high-demand
7 programs for students and successful job placements for graduates.
8 During the 2003-05 biennium, the board will prepare an annual report on
9 the impact of this subsection and provide it to the office of financial
10 management and the fiscal and higher education committees of the
11 legislature by November 1 for the prior academic year.

12 NEW SECTION. **Sec. 611. FOR THE HIGHER EDUCATION COORDINATING**
13 **BOARD--FINANCIAL AID AND GRANT PROGRAMS**

14	General Fund--State Appropriation (FY 2004)	\$141,075,000
15	General Fund--State Appropriation (FY 2005)	\$158,532,000
16	General Fund--Federal Appropriation	\$7,537,000
17	TOTAL APPROPRIATION	\$307,144,000

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

20 (1) \$539,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$540,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the displaced homemakers
23 program.

24 (2) \$266,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$266,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for the western interstate
27 commission for higher education.

28 (3) \$1,000,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$1,000,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the health professional
31 conditional scholarship and loan program under chapter 28B.115 RCW.
32 This amount shall be deposited to the health professional loan
33 repayment and scholarship trust fund to carry out the purposes of the
34 program.

35 (4) \$75,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$75,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for higher education student child
2 care matching grants under chapter 28B.135 RCW.

3 (5) \$25,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$25,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for the benefit of students who
6 participate in college assistance migrant programs (CAMP) operating in
7 Washington state. To ensure timely state aid, the board may establish
8 a date after which no additional grants would be available for the
9 2003-04 and 2004-05 academic years. The board shall disperse grants in
10 equal amounts to eligible post-secondary institutions so that state
11 money in all cases supplements federal CAMP awards.

12 (6) \$133,761,000 of the general fund--state appropriation for
13 fiscal year 2004 and \$133,761,000 of the general fund--state
14 appropriation for fiscal year 2005 are provided solely for student
15 financial aid, including all administrative costs. Of these amounts:

16 (a) \$109,516,945 of the general fund--state appropriation for
17 fiscal year 2004 and \$126,816,078 of the general fund--state
18 appropriation for fiscal year 2005 are provided solely for the state
19 need grant program. After April 1 of each fiscal year, up to one
20 percent of the annual appropriation for the state need grant program
21 may be transferred to the state work study program;

22 (b) \$17,360,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$17,360,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the state work study program.
25 After April 1 of each fiscal year, up to one percent of the annual
26 appropriation for the state work study program may be transferred to
27 the state need grant program. Four percent of the general fund--state
28 amount in this subsection for fiscal year 2003 may be expended for
29 state work study program administration;

30 (c) \$2,920,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$2,920,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for educational opportunity
33 grants. The board may deposit sufficient funds from its appropriation
34 into the state education trust fund as established in RCW 28B.10.821 to
35 provide a one-year renewal of the grant for each new recipient of the
36 educational opportunity grant award. For the purpose of establishing
37 eligibility for the equal opportunity grant program for placebound

1 students under RCW 28B.101.020, Thurston county lies within the branch
2 campus service area of the Tacoma branch campus of the University of
3 Washington;

4 (d) A maximum of 2.1 percent of the general fund--state
5 appropriation for fiscal year 2004 and 1.8 percent of the general
6 fund--state appropriation for fiscal year 2005 may be expended for
7 financial aid administration, excluding the 4 percent state work study
8 program administrative allowance provision;

9 (e) \$1,819,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,924,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to implement the Washington
12 scholars program. Any Washington scholars program moneys not awarded
13 by April 1st of each year may be transferred by the board to the
14 Washington award for vocational excellence;

15 (f) \$754,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$754,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to implement Washington award for
18 vocational excellence program. Any Washington award for vocational
19 program moneys not awarded by April 1st of each year may be transferred
20 by the board to the Washington scholars program;

21 (g) \$251,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$251,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for community scholarship matching
24 grants of \$2,000 each. Of the amounts provided, no more than \$5,200
25 each year is for the administration of the community scholarship
26 matching grant program. To be eligible for the matching grant, a
27 nonprofit community organization organized under section 501(c)(3) of
28 the internal revenue code must demonstrate that it has raised \$2,000 in
29 new moneys for college scholarships after the effective date of this
30 act. An organization may receive more than one \$2,000 matching grant
31 and preference shall be given to organizations affiliated with the
32 citizens' scholarship foundation; and

33 (h) \$6,300,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$6,300,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the Washington promise
36 scholarship program. Of the amounts provided, no more than \$250,000 in
37 fiscal year 2004 and no more than \$250,000 in fiscal year 2005 are for
38 administration of the Washington promise scholarship program.

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)	\$580,062,000
General Fund--State Appropriation (FY 2005)	\$620,938,000
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	\$1,210,923,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account.

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
Education Construction Account--State Appropriation	\$23,000,000

1	Capital Historic District Construction Account--State	
2	Appropriation	\$299,000
3	Nondebt-Limit Reimbursable Bond Retirement Account--	
4	State Appropriation	\$128,375,000
5	TOTAL APPROPRIATION	\$203,213,000

6 The appropriations in this section are subject to the following
7 conditions and limitations: The general fund appropriation is for
8 deposit into the nondebt-limit general fund bond retirement account.

9 NEW SECTION. **Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT**
10 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
11 **BOND SALE EXPENSES**

12	General Fund--State Appropriation (FY 2004)	\$526,000
13	General Fund--State Appropriation (FY 2005)	\$526,000
14	Higher Education Construction Account--State	
15	Appropriation	\$35,000
16	Education Construction Account--State Appropriation	\$1,000,000
17	State Vehicle Parking Account--State Appropriation	\$17,000
18	State Building Construction Account--State	
19	Appropriation	\$2,032,000
20	Capital Historic District Construction Account--State	
21	Appropriation	\$45,000
22	State Taxable Building Construction Account--State	
23	Appropriation	\$50,000
24	TOTAL APPROPRIATION	\$4,231,000

25 NEW SECTION. **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
26 **EMERGENCY FUND**

27	General Fund--State Appropriation (FY 2004)	\$850,000
28	General Fund--State Appropriation (FY 2005)	\$850,000
29	TOTAL APPROPRIATION	\$1,700,000

30 The appropriations in this section are subject to the following
31 conditions and limitations: The appropriations in this section are for
32 the governor's emergency fund for the critically necessary work of any
33 agency.

34 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
35 **FIRE CONTINGENCY POOL.** The sum of \$4,000,000 is appropriated from the

1 disaster response account for the purpose of making allocations to the
2 military department for fire mobilizations costs or to the department
3 of natural resources for fire suppression costs.

4 NEW SECTION. **Sec. 707. BELATED CLAIMS.** The agencies and
5 institutions of the state may expend moneys appropriated in this act,
6 upon approval of the office of financial management, for the payment of
7 supplies and services furnished to the agency or institution in prior
8 fiscal biennia.

9 NEW SECTION. **Sec. 708. COMPENSATION--INSURANCE BENEFITS.** The
10 appropriations for insurance benefits in this act, and which are
11 contained in agency budgets, are subject to the following conditions
12 and limitations:

13 (1)(a) The monthly employer funding rate for insurance benefit
14 premiums, public employees' benefits board administration, and the
15 uniform medical plan, shall not exceed \$520.27 per eligible employee
16 for fiscal year 2004, and \$606.25 for fiscal year 2005.

17 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
18 employee shall be included in the employer funding rate for fiscal year
19 2004, and \$2.11 per eligible employee shall be included in the employer
20 funding rate for fiscal year 2005, solely to increase life insurance
21 coverage in accordance with a court approved settlement in *Burbage et*
22 *al. v. State of Washington* (Thurston county superior court cause no.
23 94-2-02560-8).

24 (c) In order to achieve the level of funding provided for health
25 benefits, the public employees' benefits board shall require any or all
26 of the following: Employee premium copayments, increases in point-of-
27 service cost sharing, the implementation of managed competition, or
28 make other changes to benefits consistent with RCW 41.05.065.

29 (d) The health care authority shall deposit any moneys received on
30 behalf of the uniform medical plan as a result of rebates on
31 prescription drugs, audits of hospitals, subrogation payments, or any
32 other moneys recovered as a result of prior uniform medical plan claims
33 payments, into the public employees' and retirees' insurance account to
34 be used for insurance benefits. Such receipts shall not be used for
35 administrative expenditures.

1 (2) To facilitate the transfer of moneys from dedicated funds and
2 accounts, the state treasurer is directed to transfer sufficient moneys
3 from each dedicated fund or account to the special fund salary and
4 insurance contribution increase revolving fund in accordance with
5 schedules provided by the office of financial management.

6 (3) The health care authority, subject to the approval of the
7 public employees' benefits board, shall provide subsidies for health
8 benefit premiums to eligible retired or disabled public employees and
9 school district employees who are eligible for parts A and B of
10 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
11 December 31, 2004, the subsidy shall be \$111.25. Starting January 1,
12 2005, the subsidy shall be \$134.85 per month.

13 (4) Technical colleges, school districts, and educational service
14 districts shall remit to the health care authority for deposit into the
15 public employees' and retirees' insurance account established in RCW
16 41.05.120 the following amounts:

17 (a) For each full-time employee, \$44.76 per month beginning
18 September 1, 2003, and \$54.46 beginning September 1, 2004;

19 (b) For each part-time employee who, at the time of the remittance,
20 is employed in an eligible position as defined in RCW 41.32.010 or
21 41.40.010 and is eligible for employer fringe benefit contributions for
22 basic benefits, \$44.76 each month beginning September 1, 2003, and
23 \$54.46 beginning September 1, 2004, prorated by the proportion of
24 employer fringe benefit contributions for a full-time employee that the
25 part-time employee receives.

26 The remittance requirements specified in this subsection shall not
27 apply to employees of a technical college, school district, or
28 educational service district who purchase insurance benefits through
29 contracts with the health care authority.

30 (5) The salary and insurance increase revolving account
31 appropriation includes amounts sufficient to fund health benefits for
32 ferry workers at the premium levels specified in subsection (1) of this
33 section, consistent with the 2003-2005 transportation appropriations
34 act.

35 NEW SECTION. **Sec. 709. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
36 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in this
37 section are subject to the following conditions and limitations: The

1 appropriations for the law enforcement officers' and firefighters'
 2 retirement system shall be made on a monthly basis consistent with
 3 chapter 41.45 RCW, and the appropriations for the judges and judicial
 4 retirement systems shall be made on a quarterly basis consistent with
 5 chapters 2.10 and 2.12 RCW.

6 (1) There is appropriated for state contributions to the law
 7 enforcement officers' and fire fighters' retirement system:

8	General Fund--State Appropriation (FY 2004)	\$21,171,000
9	General Fund--State Appropriation (FY 2005)	\$20,829,000

10 (2) There is appropriated for contributions to the judicial
 11 retirement system:

12	General Fund--State Appropriation (FY 2004)	\$6,000,000
13	General Fund--State Appropriation (FY 2005)	\$6,000,000

14 (3) There is appropriated for contributions to the judges
 15 retirement system:

16	General Fund--State Appropriation (FY 2004)	\$500,000
17	General Fund--State Appropriation (FY 2005)	\$500,000
18	TOTAL APPROPRIATION	\$55,000,000

19 **NEW SECTION. Sec. 710. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
 20 **PERSONNEL RESOURCES BOARD'S SALARY SURVEY FOR STATE AND HIGHER**
 21 **EDUCATION EMPLOYEES**

22	General Fund--State Appropriation (FY 2004)	\$25,440,000
23	General Fund--State Appropriation (FY 2005)	\$25,441,000
24	Salary and Insurance Increase Revolving	
25	Account Appropriation	\$41,725,000
26	TOTAL APPROPRIATION	\$92,606,000

27 The appropriations in this section shall be expended solely for the
 28 purposes designated in this section and are subject to the conditions
 29 and limitations in this section.

30 (1) Funding is provided in sufficient amounts to bring the current
 31 salary range to within 8 ranges of their market rate, those state and
 32 higher education classified and exempt classes under the Washington
 33 personnel resources board whose current base salary is greater than 8
 34 ranges from their approved survey applied salary range as determined
 35 under RCW 41.06.160.

1 (2) Implementation of the salary adjustments for the various
2 classifications is effective July 1, 2003.

3 NEW SECTION. **Sec. 711. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
4 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

5	General Fund--State Appropriation (FY 2004)	\$272,000
6	General Fund--State Appropriation (FY 2005)	\$276,000
7	Judicial Information Systems Account--State	
8	Appropriation	\$17,000
9	Department of Retirement Systems Expense Account--	
10	State Appropriation	\$6,000
11	Public Safety and Education Account--State	
12	Appropriation	\$99,000
13	TOTAL APPROPRIATION	\$670,000

14 The appropriations in this section are provided solely to fund
15 pension contributions to the public employees' retirement system and
16 teachers' retirement systems for judicial and legislative employees,
17 effective July 1, 2003.

18 NEW SECTION. **Sec. 712. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
19 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

20	General Fund--State Appropriation (FY 2004)	\$10,468,000
21	General Fund--State Appropriation (FY 2005)	\$10,468,000
22	TOTAL APPROPRIATION	\$20,936,000

23 The appropriation in this section is subject to the following
24 conditions and limitations: The appropriation in this section is for
25 appropriation to the education technology revolving account for the
26 purpose of covering operational and transport costs incurred by the K-
27 20 educational network program in providing telecommunication services
28 to network participants.

29 NEW SECTION. **Sec. 713. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
30 **LEGISLATIVE AND JUDICIAL EMPLOYEE HEALTH BENEFITS**

31	General Fund--State Appropriation (FY 2004)	\$548,000
32	General Fund--State Appropriation (FY 2005)	\$1,737,000
33	Public Safety and Education Account Appropriation	\$262,000
34	Judicial Information Systems Account--State Appropriation . .	\$91,000
35	Department of Retirement Systems Expense Account--State	

1	Appropriation	\$22,000
2	TOTAL APPROPRIATION	\$2,660,000

3 The appropriations in this section shall be expended solely for the
4 purposes designated in this section and are subject to the following
5 conditions and limitations: Funding is provided solely for legislative
6 and judicial agencies.

7 NEW SECTION. **Sec. 714. INCENTIVE SAVINGS--FY 2004.** The sum of
8 one hundred million dollars or so much thereof as may be available on
9 June 30, 2004, from the total amount of unspent fiscal year 2004 state
10 general fund appropriations is appropriated for the purposes of RCW
11 43.79.460 in the manner provided in this section.

12 (1) Of the total appropriated amount, one-half of that portion that
13 is attributable to incentive savings, not to exceed twenty-five million
14 dollars, is appropriated to the savings incentive account for the
15 purpose of improving the quality, efficiency, and effectiveness of
16 agency services, and credited to the agency that generated the savings.

17 (2) The remainder of the total amount, not to exceed seventy-five
18 million dollars, is appropriated to the education savings account.

19 NEW SECTION. **Sec. 715. INCENTIVE SAVINGS--FY 2005.** The sum of
20 one hundred million dollars or so much thereof as may be available on
21 June 30, 2005, from the total amount of unspent fiscal year 2005 state
22 general fund appropriations is appropriated for the purposes of RCW
23 43.79.460 in the manner provided in this section.

24 (1) Of the total appropriated amount, one-half of that portion that
25 is attributable to incentive savings, not to exceed twenty-five million
26 dollars, is appropriated to the savings incentive account for the
27 purpose of improving the quality, efficiency, and effectiveness of
28 agency services, and credited to the agency that generated the savings.

29 (2) The remainder of the total amount, not to exceed seventy-five
30 million dollars, is appropriated to the education savings account.

31 NEW SECTION. **Sec. 716. FOR THE DEPARTMENT OF HEALTH--COUNTY**
32 **PUBLIC HEALTH ASSISTANCE**

33	Health Services Account--State Appropriation	\$48,000,000
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34 The appropriation in this section is subject to the following
35 conditions and limitations: The director of the department of health

1 shall distribute the appropriation as follows: \$48,000,000 is provided
2 to the department of health to support protection and improvement of
3 the public's health and to increase the efficiency and effectiveness of
4 the public health system. Funds will be provided to local public
5 health departments and districts through performance-based contracts to
6 help attain the standards for public health and to implement the
7 recommendations of the public health improvement plan. A monitoring
8 and reporting mechanism will be established to demonstrate progress
9 toward these goals.

10 NEW SECTION. **Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

11 The appropriations in this section correct administrative cost
12 allocation issues identified by the state auditor.

13	General Fund--State Appropriation (FY 2004)	\$4,314,775
14	Access Road Revolving Account Appropriation	\$549,200
15	Air Pollution Control Account Appropriation	\$355,700
16	Waste Reduction, Recycling, and Litter Control	
17	Account Appropriation	\$43,000
18	Surveys and Maps Account Appropriation	\$109,375
19	Surface Mining Reclamation Account Appropriation	\$79,950
20	TOTAL APPROPRIATION	\$5,452,000

21 The appropriations in this section are subject to the following
22 conditions and limitations: The appropriations in this section are
23 provided solely for deposit into the following accounts: \$2,142,500
24 for deposit into the forest development account, \$144,900 for deposit
25 into the aquatic lands enhancement account, \$1,719,400 for deposit into
26 the resource management cost account, \$8,100 for deposit into the
27 aquatic land dredged material disposal site account, \$1,288,800 for
28 deposit into the forest fire protection assessment account, and
29 \$148,300 for deposit into the agriculture college trust management
30 account.

(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--FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal grazing fees

1 distributions \$1,293,828
 2 General Fund Appropriation for federal flood control
 3 funds distribution \$25,050
 4 Federal Forest Revolving Fund Appropriation for
 5 federal forest reserve fund distribution \$83,492,373
 6 TOTAL APPROPRIATION \$84,811,251

7 The total expenditures from the state treasury under the
 8 appropriations in this section shall not exceed the funds available
 9 under statutory distributions for the stated purposes.

10 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--TRANSFERS**

11 (1) For transfers in this section to the state general fund,
 12 pursuant to RCW 43.135.035(5), the state expenditure limit shall be
 13 increased by the amount of the transfer. The increase shall occur in
 14 the fiscal year in which the transfer occurs.

15 State Convention and Trade Center Account:
 16 For transfer to the state general fund \$10,000,000
 17 County Sale/Use Tax Equalization Account:
 18 For transfer to the state general fund \$74,000
 19 Municipal Sale/Use Tax Equalization Account:
 20 For transfer to the state general fund \$374,000
 21 Landowner Contingency Fire Suppression
 22 Account: For transfer to the state general fund . . . \$3,000,000
 23 Asbestos Account: For transfer to the state
 24 general fund \$200,000
 25 Industrial Insurance Premium Refund Account:
 26 For transfer to the state general fund \$577,000
 27 Electrical License Account: For transfer
 28 to the state general fund \$7,000,000
 29 Public Service Revolving Account: For transfer
 30 to the state general fund \$1,000,000
 31 Site Closure Account: For transfer to the
 32 state general fund \$13,750,000
 33 Agricultural Local Account: For transfer to
 34 the state general fund \$4,000,000
 35 Insurance Commissioner's Regulatory: For transfer
 36 to the state general fund \$1,000,000
 37 State Forest Nursery Revolving Account:

1 For transfer to the state general fund \$500,000
 2 State Treasurer's Service Account: For
 3 transfer to the state general fund \$19,000,000
 4 Department of Retirement Systems Expense
 5 Account: For transfer to the state
 6 general fund \$1,500,000
 7 Gambling Revolving Account: For transfer
 8 to the state general fund \$1,500,000
 9 Pressure Systems Safety Account: For transfer
 10 to the state general fund \$1,000,000
 11 Woodstove Education and Enforcement Account:
 12 For transfer to the air pollution control account \$600,000
 13 Local Toxics Control Account: For transfer
 14 to the state toxics control account \$4,059,000
 15 Regional Fisheries Enhancement Account:
 16 For transfer to the salmon recovery account \$1,100,000
 17 Education Construction Account: For transfer
 18 to the common school construction account \$73,000,000
 19 State Building Construction Account: For
 20 transfer to the common school construction
 21 account \$54,170,516
 22 State Building Construction Account: For
 23 transfer to the state and local improvements
 24 revolving account--water supply facilities \$7,000,000
 25 (2) The treasurer shall transfer \$27,500,000 from the pollution
 26 liability insurance program trust account to the state general fund as
 27 follows: \$7,500,000 on March 1, 2004; \$7,500,000 on September 1, 2004;
 28 \$7,500,000 on March 1, 2005; and \$5,000,000 on June 1, 2005.

29 NEW SECTION. **Sec. 804. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
 30 **TRANSFERS**

31 General Fund--State Appropriation: For transfer to the
 32 department of retirement systems expense account:
 33 For the administrative expenses of the judicial
 34 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. PROGRAM COST SHIFTS.** Any program costs
16 or moneys in this act that are shifted to the general fund from another
17 fund or account require an adjustment to the expenditure limit under
18 RCW 43.135.035(5).

19 NEW SECTION. **Sec. 905. EMERGENCY FUND ALLOCATIONS.** Whenever
20 allocations are made from the governor's emergency fund appropriation
21 to an agency that is financed in whole or in part by other than general
22 fund moneys, the director of financial management may direct the
23 repayment of such allocated amount to the general fund from any balance
24 in the fund or funds which finance the agency. No appropriation shall
25 be necessary to effect such repayment.

26 NEW SECTION. **Sec. 906. STATUTORY APPROPRIATIONS.** In addition
27 to the amounts appropriated in this act for revenues for distribution,
28 state contributions to the law enforcement officers' and fire fighters'
29 retirement system plan 2, and bond retirement and interest including
30 ongoing bond registration and transfer charges, transfers, interest on
31 registered warrants, and certificates of indebtedness, there is also
32 appropriated such further amounts as may be required or available for
33 these purposes under any statutory formula or under chapters 39.94 and
34 39.96 RCW or any proper bond covenant made under law.

1 NEW SECTION. **Sec. 907. BOND EXPENSES.** In addition to such other
2 appropriations as are made by this act, there is hereby appropriated to
3 the state finance committee from legally available bond proceeds in the
4 applicable construction or building funds and accounts such amounts as
5 are necessary to pay the expenses incurred in the issuance and sale of
6 the subject bonds.

7 NEW SECTION. **Sec. 908. VOLUNTARY SEPARATION INCENTIVES.** As a
8 management tool to reduce costs and make more effective use of
9 resources, while improving employee productivity and morale, agencies
10 may offer voluntary separation and/or downshifting incentives and
11 options according to procedures and guidelines established by the
12 department of personnel and the department of retirement systems in
13 consultation with the office of financial management. The options may
14 include, but are not limited to, financial incentives for: Voluntary
15 resignation and retirement, voluntary leave-without-pay, voluntary
16 workweek or work hour reduction, voluntary downward movement, or
17 temporary separation for development purposes. No employee shall have
18 a contractual right to a financial incentive offered pursuant to this
19 section and employees accepting a voluntary separation incentive are
20 not eligible for unemployment compensation based on their separation
21 from state employment under Title 50 RCW.

22 Agencies shall report on the outcomes of their plans, and offers
23 shall be reviewed and monitored jointly by the department of personnel
24 and the department of retirement systems, for reporting to the office
25 of financial management by December 1, 2004.

26 NEW SECTION. **Sec. 909. VOLUNTARY RETIREMENT INCENTIVES.** It is
27 the intent of the legislature that agencies may implement a voluntary
28 retirement incentive program that is cost neutral or results in cost
29 savings provided that such a program is approved by the director of
30 retirement systems and the office of financial management. No employee
31 shall have a contractual right to a financial incentive offered
32 pursuant to this section, and employees accepting a voluntary
33 retirement incentive are not eligible for unemployment compensation
34 based on their separation from state employment under Title 50 RCW.
35 Agencies participating in this authorization are required to submit a
36 report by June 30, 2005, to the legislature and the office of financial

1 management on the outcome of their approved retirement incentive
2 program. The report should include information on the details of the
3 program including resulting service delivery changes, agency
4 efficiencies, the cost of the retirement incentive per participant, the
5 total cost to the state, and the projected or actual net dollar savings
6 over the 2003-05 biennium.

7 **Sec. 910.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to
8 read as follows:

9 There is hereby created the gambling revolving fund which shall
10 consist of all moneys receivable for licensing, penalties, forfeitures,
11 and all other moneys, income, or revenue received by the commission.
12 The state treasurer shall be custodian of the fund. All moneys
13 received by the commission or any employee thereof, except for change
14 funds and an amount of petty cash as fixed by rule or regulation of the
15 commission, shall be deposited each day in a depository approved by the
16 state treasurer and transferred to the state treasurer to be credited
17 to the gambling revolving fund. Disbursements from the revolving fund
18 shall be on authorization of the commission or a duly authorized
19 representative thereof. In order to maintain an effective expenditure
20 and revenue control the gambling revolving fund shall be subject in all
21 respects to chapter 43.88 RCW but no appropriation shall be required to
22 permit expenditures and payment of obligations from such fund. All
23 expenses relative to commission business, including but not limited to
24 salaries and expenses of the director and other commission employees
25 shall be paid from the gambling revolving fund.

26 During the ((2001-2003)) 2003-2005 fiscal biennium, the legislature
27 may transfer from the gambling revolving fund to the state general fund
28 such amounts as reflect the excess fund balance of the fund ((and
29 ~~reductions made by the 2002 supplemental appropriations act for~~
30 ~~administrative efficiencies and savings~~)).

31 **Sec. 911.** RCW 19.28.351 and 1988 c 81 s 11 are each amended to
32 read as follows:

33 All sums received from licenses, permit fees, or other sources,
34 herein shall be paid to the state treasurer and placed in a special
35 fund designated as the "electrical license fund," and ((~~by him~~)) paid
36 out upon vouchers duly and regularly issued therefor and approved by

1 the director of labor and industries or the director's designee
2 following determination by the board that the sums are necessary to
3 accomplish the intent of chapter 19.28 RCW. The treasurer shall keep
4 an accurate record of payments into, or receipts of, (~~said~~) the fund,
5 and of all disbursements therefrom.

6 During the 2003-2005 biennium, the legislature may transfer moneys
7 from the electrical license fund to the state general fund such amounts
8 as reflect the excess fund balance of the fund.

9 **Sec. 912.** RCW 41.50.110 and 1998 c 341 s 508 are each amended to
10 read as follows:

11 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
12 section, all expenses of the administration of the department and the
13 expenses of administration of the retirement systems created in
14 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, and 43.43 RCW
15 shall be paid from the department of retirement systems expense fund.

16 (2) In order to reimburse the department of retirement systems
17 expense fund on an equitable basis the department shall ascertain and
18 report to each employer, as defined in RCW 41.26.030, 41.32.010,
19 41.35.010, or 41.40.010, the sum necessary to defray its proportional
20 share of the entire expense of the administration of the retirement
21 system that the employer participates in during the ensuing biennium or
22 fiscal year whichever may be required. Such sum is to be computed in
23 an amount directly proportional to the estimated entire expense of the
24 administration as the ratio of monthly salaries of the employer's
25 members bears to the total salaries of all members in the entire
26 system. It shall then be the duty of all such employers to include in
27 their budgets or otherwise provide the amounts so required.

28 (3) The department shall compute and bill each employer, as defined
29 in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of
30 each month for the amount due for that month to the department of
31 retirement systems expense fund and the same shall be paid as are its
32 other obligations. Such computation as to each employer shall be made
33 on a percentage rate of salary established by the department. However,
34 the department may at its discretion establish a system of billing
35 based upon calendar year quarters in which event the said billing shall
36 be at the end of each such quarter.

1 (4) The director may adjust the expense fund contribution rate for
2 each system at any time when necessary to reflect unanticipated costs
3 or savings in administering the department.

4 (5) An employer who fails to submit timely and accurate reports to
5 the department may be assessed an additional fee related to the
6 increased costs incurred by the department in processing the deficient
7 reports. Fees paid under this subsection shall be deposited in the
8 retirement system expense fund.

9 (a) Every six months the department shall determine the amount of
10 an employer's fee by reviewing the timeliness and accuracy of the
11 reports submitted by the employer in the preceding six months. If
12 those reports were not both timely and accurate the department may
13 prospectively assess an additional fee under this subsection.

14 (b) An additional fee assessed by the department under this
15 subsection shall not exceed fifty percent of the standard fee.

16 (c) The department shall adopt rules implementing this section.

17 (6) Expenses other than those under RCW 41.34.060(~~((2))~~) (3) shall
18 be paid pursuant to subsection (1) of this section.

19 (7) During the 2003-2005 fiscal biennium, the legislature may
20 transfer from the department of retirement systems' expense fund to the
21 state general fund such amounts as reflect the excess fund balance of
22 the fund.

23 **Sec. 913.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended
24 to read as follows:

25 There is hereby created a fund within the state treasury to be
26 known as the "state treasurer's service fund". Such fund shall be used
27 solely for the payment of costs and expenses incurred in the operation
28 and administration of the state treasurer's office.

29 Moneys shall be allocated monthly and placed in the state
30 treasurer's service fund equivalent to a maximum of one percent of the
31 trust and treasury average daily cash balances from the earnings
32 generated under the authority of RCW 43.79A.040 and 43.84.080 other
33 than earnings generated from investment of balances in funds and
34 accounts specified in RCW 43.79.040(~~((2)(b))~~) or 43.84.092(~~((2)(b))~~)
35 (4)(b). The allocation shall precede the distribution of the remaining
36 earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state

1 treasurer shall establish a uniform allocation rate based on the
2 appropriations for the treasurer's office.

3 During the 2003-2005 fiscal biennium, the legislature may transfer
4 from the state treasurer's service fund to the state general fund such
5 amounts as reflect the excess fund balance of the fund.

6 **Sec. 914.** RCW 43.23.230 and 1988 c 254 s 1 are each amended to
7 read as follows:

8 The agricultural local fund is hereby established in the custody of
9 the state treasurer. The fund shall consist of such money as is
10 directed by law for deposit in the fund, and such other money not
11 subject to appropriation that the department authorizes to be deposited
12 in the fund. Any money deposited in the fund, the use of which has
13 been restricted by law, may only be expended in accordance with those
14 restrictions. The department may make disbursements from the fund.
15 The fund is not subject to legislative appropriation.

16 During the 2003-2005 fiscal biennium, the legislature may transfer
17 from the agricultural local fund to the state general fund such amounts
18 as reflect the excess fund balance of the fund.

19 **Sec. 915.** RCW 43.200.080 and 1999 c 372 s 12 are each amended to
20 read as follows:

21 The director of ecology shall, in addition to the powers and duties
22 otherwise imposed by law, have the following special powers and duties:

23 (1) To fulfill the responsibilities of the state under the lease
24 between the state of Washington and the federal government executed
25 September 10, 1964, covering one thousand acres of land lying within
26 the Hanford reservation near Richland, Washington. The department of
27 ecology may sublease to private or public entities all or a portion of
28 the land for specific purposes or activities which are determined,
29 after public hearing, to be in agreement with the terms of the lease
30 and in the best interests of the citizens of the state consistent with
31 any criteria that may be developed as a requirement by the legislature;

32 (2) To assume the responsibilities of the state under the perpetual
33 care agreement between the state of Washington and the federal
34 government executed July 29, 1965 and the sublease between the state of
35 Washington and the site operator of the Hanford low-level radioactive
36 waste disposal facility. In order to finance perpetual surveillance

1 and maintenance under the agreement and ensure site closure under the
2 sublease, the department of ecology shall impose and collect fees from
3 parties holding radioactive materials for waste management purposes.
4 The fees shall be established by rule adopted under chapter 34.05 RCW
5 and shall be an amount determined by the department of ecology to be
6 necessary to defray the estimated liability of the state. Such fees
7 shall reflect equity between the disposal facilities of this and other
8 states. A site closure account and a perpetual surveillance and
9 maintenance account is hereby created in the state treasury. The site
10 closure account shall be exclusively available to reimburse, to the
11 extent that moneys are available in the account, the site operator for
12 its costs plus a reasonable profit as agreed by the operator and the
13 state, or to reimburse the state licensing agency and any agencies
14 under contract to the state licensing agency for their costs in final
15 closure and decommissioning of the Hanford low-level radioactive waste
16 disposal facility. If a balance remains in the account after
17 satisfactory performance of closure and decommissioning, this balance
18 shall be transferred to the perpetual surveillance and maintenance
19 account. The perpetual surveillance and maintenance account shall be
20 used exclusively by the state to meet post-closure surveillance and
21 maintenance costs, or for otherwise satisfying surveillance and
22 maintenance obligations. Appropriations are required to permit
23 expenditures and payment of obligations from the site closure account
24 and the perpetual surveillance and maintenance account. All moneys,
25 including earnings from the investment of balances in the site closure
26 and the perpetual surveillance and maintenance account, less the
27 allocation to the state treasurer's service fund, pursuant to RCW
28 43.08.190 accruing under the authority of this section shall be
29 directed to the site closure account until December 31, 1992.
30 Thereafter receipts including earnings from the investment of balances
31 in the site closure and the perpetual surveillance and maintenance
32 account, less the allocation to the state treasurer's service fund,
33 pursuant to RCW 43.08.190 shall be directed to the site closure account
34 and the perpetual surveillance and maintenance account as specified by
35 the department. Additional moneys specifically appropriated by the
36 legislature or received from any public or private source may be placed
37 in the site closure account and the perpetual surveillance and

1 maintenance account. During the 2003-2005 fiscal biennium, the
2 legislature may transfer from the site closure account such amounts as
3 reflect the excess fund balances in each account;

4 (3) To assure maintenance of such insurance coverage by state
5 licensees, lessees, or sublessees as will adequately, in the opinion of
6 the director, protect the citizens of the state against nuclear
7 accidents or incidents that may occur on privately or state-controlled
8 nuclear facilities;

9 (4) To institute a user permit system and issue site use permits,
10 consistent with regulatory practices, for generators, packagers, or
11 brokers using the Hanford low-level radioactive waste disposal
12 facility. The costs of administering the user permit system shall be
13 borne by the applicants for site use permits. The site use permit fee
14 shall be set at a level that is sufficient to fund completely the
15 executive and legislative participation in activities related to the
16 Northwest Interstate Compact on Low-Level Radioactive Waste Management;

17 (5) To make application for or otherwise pursue any federal funds
18 to which the state may be eligible, through the federal resource
19 conservation and recovery act or any other federal programs, for the
20 management, treatment or disposal, and any remedial actions, of wastes
21 that are both radioactive and hazardous at all Hanford low-level
22 radioactive waste disposal facilities; and

23 (6) To develop contingency plans for duties and options for the
24 department and other state agencies related to the Hanford low-level
25 radioactive waste disposal facility based on various projections of
26 annual levels of waste disposal. These plans shall include an analysis
27 of expected revenue to the state in various taxes and funds related to
28 low-level radioactive waste disposal and the resulting implications
29 that any increase or decrease in revenue may have on state agency
30 duties or responsibilities. The plans shall be updated annually.

31 **Sec. 916.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to
32 read as follows:

33 (1) As used in this section:

34 (a) "Organization" means every insurer, as defined in RCW
35 48.01.050, having a certificate of authority to do business in this
36 state and every health care service contractor registered to do
37 business in this state. "Class one" organizations shall consist of all

1 insurers as defined in RCW 48.01.050. "Class two" organizations shall
2 consist of all organizations registered under provisions of chapter
3 48.44 RCW.

4 (b) "Receipts" means (i) net direct premiums consisting of direct
5 gross premiums, as defined in RCW 48.18.170, paid for insurance written
6 or renewed upon risks or property resident, situated, or to be
7 performed in this state, less return premiums and premiums on policies
8 not taken, dividends paid or credited to policyholders on direct
9 business, and premiums received from policies or contracts issued in
10 connection with qualified plans as defined in RCW 48.14.021, and (ii)
11 prepayments to health care service contractors as set forth in RCW
12 48.44.010(3) less experience rating credits, dividends, prepayments
13 returned to subscribers, and payments for contracts not taken.

14 (2) The annual cost of operating the office of insurance
15 commissioner shall be determined by legislative appropriation. A pro
16 rata share of the cost shall be charged to all organizations. Each
17 class of organization shall contribute sufficient in fees to the
18 insurance commissioner's regulatory account to pay the reasonable
19 costs, including overhead, of regulating that class of organization.

20 (3) Fees charged shall be calculated separately for each class of
21 organization. The fee charged each organization shall be that portion
22 of the cost of operating the insurance commissioner's office, for that
23 class of organization, for the ensuing fiscal year that is represented
24 by the organization's portion of the receipts collected or received by
25 all organizations within that class on business in this state during
26 the previous calendar year: PROVIDED, That the fee shall not exceed
27 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
28 minimum fee shall be one thousand dollars.

29 (4) The commissioner shall annually, on or before June 1, calculate
30 and bill each organization for the amount of its fee. Fees shall be
31 due and payable no later than June 15 of each year: PROVIDED, That if
32 the necessary financial records are not available or if the amount of
33 the legislative appropriation is not determined in time to carry out
34 such calculations and bill such fees within the time specified, the
35 commissioner may use the fee factors for the prior year as the basis
36 for the fees and, if necessary, the commissioner may impose
37 supplemental fees to fully and properly charge the organizations. The
38 penalties for failure to pay fees when due shall be the same as the

1 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
2 required by this section are in addition to all other taxes and fees
3 now imposed or that may be subsequently imposed.

4 (5) All moneys collected shall be deposited in the insurance
5 commissioner's regulatory account in the state treasury which is hereby
6 created.

7 (6) Unexpended funds in the insurance commissioner's regulatory
8 account at the close of a fiscal year shall be carried forward in the
9 insurance commissioner's regulatory account to the succeeding fiscal
10 year and shall be used to reduce future fees. During the ((2001-2003))
11 2003-2005 fiscal biennium, the legislature may transfer from the
12 insurance commissioner's regulatory account to the state general fund
13 such amounts as reflect excess fund balance in the account.

14 **Sec. 917.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to
15 read as follows:

16 (1) The department shall administer this chapter.

17 (2) The director of the department shall adopt, in accordance with
18 chapters 34.05 and 49.17 RCW, rules necessary to carry out this
19 chapter.

20 (3) The department shall prescribe fees for the issuance and
21 renewal of certificates, including recertification, and the
22 administration of examinations, and for the review of training courses.

23 (4) The asbestos account is hereby established in the state
24 treasury. All fees collected under this chapter shall be deposited in
25 the account. Moneys in the account shall be spent after appropriation
26 only for costs incurred by the department in the administration and
27 enforcement of this chapter. Disbursements from the account shall be
28 on authorization of the director of the department or the director's
29 designee.

30 (5) During the 2003-2005 fiscal biennium, the legislature may
31 transfer from the asbestos account to the state general fund such
32 amounts as reflect the excess fund balance in the account.

33 **Sec. 918.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to
34 read as follows:

35 The industrial insurance premium refund account is created in the
36 custody of the state treasurer. All industrial insurance refunds

1 earned by state agencies or institutions of higher education under the
2 state fund retrospective rating program shall be deposited into the
3 account. The account is subject to the allotment procedures under
4 chapter 43.88 RCW, but no appropriation is required for expenditures
5 from the account. Only the executive head of the agency or institution
6 of higher education, or designee, may authorize expenditures from the
7 account. No agency or institution of higher education may make an
8 expenditure from the account for an amount greater than the refund
9 earned by the agency. If the agency or institution of higher education
10 has staff dedicated to workers' compensation claims management,
11 expenditures from the account must be used to pay for that staff, but
12 additional expenditure from the account may be used for any program
13 within an agency or institution of higher education that promotes or
14 provides incentives for employee workplace safety and health and early,
15 appropriate return-to-work for injured employees. During the ((2001-
16 2003)) 2003-2005 fiscal biennium, the legislature may transfer from the
17 industrial insurance premium refund account to the state general fund
18 such amounts as reflect the ((~~reductions made by the 2002 supplemental~~
19 ~~appropriations act for administrative efficiencies and savings~~)) excess
20 fund balance of the account.

21 **Sec. 919.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to
22 read as follows:

23 (1) The proceeds from the sale of the bonds authorized in RCW
24 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
25 67.40.130, and all other moneys received by the state convention and
26 trade center from any public or private source which are intended to
27 fund the acquisition, design, construction, expansion, exterior cleanup
28 and repair of the Eagles building, conversion of various retail and
29 other space to meeting rooms, purchase of the land and building known
30 as the McKay Parcel, development of low-income housing, or renovation
31 of the center, and those expenditures authorized under RCW 67.40.170
32 shall be deposited in the state convention and trade center account
33 hereby created in the state treasury and in such subaccounts as are
34 deemed appropriate by the directors of the corporation.

35 (2) Moneys in the account, including unanticipated revenues under
36 RCW 43.79.270, shall be used exclusively for the following purposes in
37 the following priority:

1 (a) For reimbursement of the state general fund under RCW
2 67.40.060;

3 (b) After appropriation by statute:

4 (i) For payment of expenses incurred in the issuance and sale of
5 the bonds issued under RCW 67.40.030;

6 (ii) For expenditures authorized in RCW 67.40.170;

7 (iii) For acquisition, design, and construction of the state
8 convention and trade center; and

9 (iv) For reimbursement of any expenditures from the state general
10 fund in support of the state convention and trade center; and

11 (c) For transfer to the state convention and trade center
12 operations account.

13 (3) The corporation shall identify with specificity those
14 facilities of the state convention and trade center that are to be
15 financed with proceeds of general obligation bonds, the interest on
16 which is intended to be excluded from gross income for federal income
17 tax purposes. The corporation shall not permit the extent or manner of
18 private business use of those bond-financed facilities to be
19 inconsistent with treatment of such bonds as governmental bonds under
20 applicable provisions of the Internal Revenue Code of 1986, as amended.

21 (4) In order to ensure consistent treatment of bonds authorized
22 under RCW 67.40.030 with applicable provisions of the Internal Revenue
23 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment
24 earnings on bond proceeds deposited in the state convention and trade
25 center account in the state treasury shall be retained in the account,
26 and shall be expended by the corporation for the purposes authorized
27 under chapter 386, Laws of 1995 and in a manner consistent with
28 applicable provisions of the Internal Revenue Code of 1986, as amended.

29 (5) During the 2003-2005 fiscal biennium, the legislature may
30 transfer from the state convention and trade center account to the
31 state general fund such amounts as reflect the excess fund balance of
32 the account.

33 **Sec. 920.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to
34 read as follows:

35 The chief inspector shall give an official receipt for all fees
36 required by chapter 70.79 RCW and shall transfer all sums so received
37 to the treasurer of the state of Washington as ex officio custodian

1 thereof and (~~by him, as such custodian,~~) the treasurer shall place
2 (~~said~~) all sums in a special fund hereby created and designated as
3 the "pressure systems safety fund". (~~Said~~) Funds (~~by him~~) shall be
4 paid out upon vouchers duly and regularly issued therefor and approved
5 by the director of the department of labor and industries. The
6 treasurer, as ex officio custodian of (~~said~~) the fund, shall keep an
7 accurate record of any payments into (~~said~~) the fund, and of all
8 disbursements therefrom. (~~Said~~) The fund shall be used exclusively
9 to defray only the expenses of administering chapter 70.79 RCW by the
10 chief inspector as authorized by law and the expenses incident to the
11 maintenance of (~~his~~) the office. The fund shall be charged with its
12 pro rata share of the cost of administering (~~said~~) the fund which is
13 to be determined by the director of financial management and by the
14 director of the department of labor and industries.

15 During the 2003-2005 fiscal biennium, the legislature may transfer
16 from the pressure systems safety fund to the state general fund such
17 amounts as reflect the excess fund balance of the fund.

18 **Sec. 921.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to
19 read as follows:

20 (1) The water quality account is hereby created in the state
21 treasury. Moneys in the account may be used only in a manner
22 consistent with this chapter. Moneys deposited in the account shall be
23 administered by the department of ecology and shall be subject to
24 legislative appropriation. Moneys placed in the account shall include
25 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
26 principal and interest from the repayment of any loans granted pursuant
27 to this chapter, and any other moneys appropriated to the account by
28 the legislature.

29 (2) The department may use or permit the use of any moneys in the
30 account to make grants or loans to public bodies, including grants to
31 public bodies as cost-sharing moneys in any case where federal, local,
32 or other funds are made available on a cost-sharing basis, for water
33 pollution control facilities and activities, or for purposes of
34 assisting a public body to obtain an ownership interest in water
35 pollution control facilities and/or to defray a part of the payments
36 made by a public body to a service provider under a service agreement
37 entered into pursuant to RCW 70.150.060, within the purposes of this

1 chapter and for related administrative expenses. For the period July
2 1, ((2001)) 2003, to June 30, ((2003)) 2005, moneys in the account may
3 be used to process applications received by the department that seek to
4 make changes to or transfer existing water rights and for grants and
5 technical assistance to public bodies for watershed planning under
6 chapter 90.82 RCW. No more than three percent of the moneys deposited
7 in the account may be used by the department to pay for the
8 administration of the grant and loan program authorized by this
9 chapter.

10 (3) Beginning with the biennium ending June 30, 1997, the
11 department shall present a biennial progress report on the use of
12 moneys from the account to the chairs of the senate committee on ways
13 and means and the house of representatives committee on appropriations.
14 The first report is due June 30, 1996, and the report for each
15 succeeding biennium is due December 31 of the odd-numbered year. The
16 report shall consist of a list of each recipient, project description,
17 and amount of the grant, loan, or both.

18 **Sec. 922.** RCW 76.04.630 and 1993 c 36 s 2 are each amended to read
19 as follows:

20 There is created a landowner contingency forest fire suppression
21 account in the state treasury. Moneys in the account may be spent only
22 as provided in this section. Disbursements from the account shall be
23 on authorization of the commissioner of public lands or the
24 commissioner's designee. The account is subject to the allotment
25 procedure provided under chapter 43.88 RCW, but no appropriation is
26 required for disbursements.

27 The department may expend from this account the amounts as may be
28 available and as it considers appropriate for the payment of emergency
29 fire costs resulting from a participating landowner fire. The
30 department may, when moneys are available from the landowner
31 contingency forest fire suppression account, expend moneys for
32 summarily abating, isolating, or reducing an extreme fire hazard under
33 RCW 76.04.660. All moneys recovered as a result of the department's
34 actions, from the owner or person responsible, under RCW 76.04.660
35 shall be deposited in the landowner contingency forest fire suppression
36 account.

1 When a determination is made that the fire was started by other
2 than a landowner operation, moneys expended from this account in the
3 suppression of such fire shall be recovered from the general fund
4 appropriations as may be available for emergency fire suppression
5 costs. The department shall deposit in the landowner contingency
6 forest fire suppression account moneys paid out of the account which
7 are later recovered, less reasonable costs of recovery.

8 This account shall be established and renewed by an annual special
9 forest fire suppression account assessment paid by participating
10 landowners at a rate to be established by the department. In
11 establishing assessments, the department shall seek to establish and
12 thereafter reestablish a balance in the account of three million
13 dollars. The department may establish a flat fee assessment of no more
14 than seven dollars and fifty cents for participating landowners owning
15 parcels of fifty acres or less. For participating landowners owning
16 parcels larger than fifty acres, the department may charge the flat fee
17 assessment plus a per acre assessment for every acre over fifty acres.
18 The per acre assessment established by the department may not exceed
19 fifteen cents per acre per year. The assessments may differ to
20 equitably distribute the assessment based on emergency fire suppression
21 cost experience necessitated by landowner operations. Amounts assessed
22 for this account shall be a lien upon the forest lands with respect to
23 which the assessment is made and may be collected as directed by the
24 department in the same manner as forest protection assessments.
25 Payment of emergency costs from this account shall in no way restrict
26 the right of the department to recover costs pursuant to RCW 76.04.495
27 or other laws.

28 When the department determines that a forest fire was started in
29 the course of or as a result of a landowner operation, it shall notify
30 the forest fire advisory board of the determination. The determination
31 shall be final, unless, within ninety days of the notification, the
32 forest fire advisory board or an interested party serves a request for
33 a hearing before the department. The hearing shall constitute an
34 adjudicative proceeding under chapter 34.05 RCW, the administrative
35 procedure act, and an appeal shall be in accordance with RCW 34.05.510
36 through 34.05.598.

37 During the 2003-2005 fiscal biennium, the legislature may transfer

1 from the landowner contingency forest fire suppression account to the
2 state general fund such amounts as reflect the excess fund balance of
3 the account.

4 **Sec. 923.** RCW 76.12.170 and 1988 c 128 s 36 are each amended to
5 read as follows:

6 All receipts from the sale of stock or seed shall be deposited in
7 a state forest nursery revolving fund to be maintained by the
8 department, which is hereby authorized to use all money in said fund
9 for the maintenance of the state tree nursery or the planting of
10 denuded state owned lands.

11 During the 2003-2005 fiscal biennium, the legislature may transfer
12 from the state forest nursery revolving fund to the state general fund
13 such amounts as reflect the excess fund balance of the fund.

14 **Sec. 924.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to
15 read as follows:

16 There is created in the state treasury a public service revolving
17 fund. Regulatory fees payable by all types of public service companies
18 shall be deposited to the credit of the public service revolving fund.
19 Except for expenses payable out of the pipeline safety account, all
20 expense of operation of the Washington utilities and transportation
21 commission shall be payable out of the public service revolving fund.

22 During the ~~((2001-2003))~~ 2003-2005 fiscal biennium, the legislature
23 may transfer from the public service revolving fund to the state
24 general fund such amounts as reflect the ~~((appropriations reductions~~
25 ~~made by the 2002 supplemental appropriations act for administrative~~
26 ~~efficiencies and savings))~~ excess fund balance of the fund.

27 **Sec. 925.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to
28 read as follows:

29 There is created in the state treasury a special account to be
30 known as the "county sales and use tax equalization account." Into
31 this account shall be placed a portion of all motor vehicle excise tax
32 receipts as provided in RCW 82.44.110. Funds in this account shall be
33 allocated by the state treasurer according to the following procedure:

34 (1) Prior to April 1st of each year the director of revenue shall
35 inform the state treasurer of the total and the per capita levels of

1 revenues for the unincorporated area of each county and the statewide
2 weighted average per capita level of revenues for the unincorporated
3 areas of all counties imposing the sales and use tax authorized under
4 RCW 82.14.030(1) for the previous calendar year.

5 (2) At such times as distributions are made under RCW 82.44.150,
6 the state treasurer shall apportion to each county imposing the sales
7 and use tax under RCW 82.14.030(1) at the maximum rate and receiving
8 less than one hundred fifty thousand dollars from the tax for the
9 previous calendar year, an amount from the county sales and use tax
10 equalization account sufficient, when added to the amount of revenues
11 received the previous calendar year by the county, to equal one hundred
12 fifty thousand dollars.

13 The department of revenue shall establish a governmental price
14 index as provided in this subsection. The base year for the index
15 shall be the end of the third quarter of 1982. Prior to November 1,
16 1983, and prior to each November 1st thereafter, the department of
17 revenue shall establish another index figure for the third quarter of
18 that year. The department of revenue may use the implicit price
19 deflators for state and local government purchases of goods and
20 services calculated by the United States department of commerce to
21 establish the governmental price index. Beginning on January 1, 1984,
22 and each January 1st thereafter, the one hundred fifty thousand dollar
23 base figure in this subsection shall be adjusted in direct proportion
24 to the percentage change in the governmental price index from 1982
25 until the year before the adjustment. Distributions made under this
26 subsection for 1984 and thereafter shall use this adjusted base amount
27 figure.

28 (3) Subsequent to the distributions under subsection (2) of this
29 section and at such times as distributions are made under RCW
30 82.44.150, the state treasurer shall apportion to each county imposing
31 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
32 receiving less than seventy percent of the statewide weighted average
33 per capita level of revenues for the unincorporated areas of all
34 counties as determined by the department of revenue under subsection
35 (1) of this section, an amount from the county sales and use tax
36 equalization account sufficient, when added to the per capita level of
37 revenues for the unincorporated area received the previous calendar
38 year by the county, to equal seventy percent of the statewide weighted

1 average per capita level of revenues for the unincorporated areas of
2 all counties determined under subsection (1) of this section, subject
3 to reduction under subsections (6) and (7) of this section. When
4 computing distributions under this section, any distribution under
5 subsection (2) of this section shall be considered revenues received
6 from the tax imposed under RCW 82.14.030(1) for the previous calendar
7 year.

8 (4) Subsequent to the distributions under subsection (3) of this
9 section and at such times as distributions are made under RCW
10 82.44.150, the state treasurer shall apportion to each county imposing
11 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
12 receiving a distribution under subsection (2) of this section, a third
13 distribution from the county sales and use tax equalization account.
14 The distribution to each qualifying county shall be equal to the
15 distribution to the county under subsection (2) of this section,
16 subject to the reduction under subsections (6) and (7) of this section.
17 To qualify for the total distribution under this subsection, the county
18 must impose the tax under RCW 82.14.030(2) for the entire calendar
19 year. Counties imposing the tax for less than the full year shall
20 qualify for prorated allocations under this subsection proportionate to
21 the number of months of the year during which the tax is imposed.

22 (5) Subsequent to the distributions under subsection (4) of this
23 section and at such times as distributions are made under RCW
24 82.44.150, the state treasurer shall apportion to each county imposing
25 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
26 receiving a distribution under subsection (3) of this section, a fourth
27 distribution from the county sales and use tax equalization account.
28 The distribution to each qualifying county shall be equal to the
29 distribution to the county under subsection (3) of this section,
30 subject to the reduction under subsections (6) and (7) of this section.
31 To qualify for the distributions under this subsection, the county must
32 impose the tax under RCW 82.14.030(2) for the entire calendar year.
33 Counties imposing the tax for less than the full year shall qualify for
34 prorated allocations under this subsection proportionate to the number
35 of months of the year during which the tax is imposed.

36 (6) Revenues distributed under subsections (2) through (5) of this
37 section in any calendar year shall not exceed an amount equal to
38 seventy percent of the statewide weighted average per capita level of

1 revenues for the unincorporated areas of all counties during the
2 previous calendar year. If distributions under subsections (3) through
3 (5) of this section cannot be made because of this limitation, then
4 distributions under subsections (3) through (5) of this section shall
5 be reduced ratably among the qualifying counties.

6 (7) If inadequate revenues exist in the county sales and use tax
7 equalization account to make the distributions under subsections (3)
8 through (5) of this section, then the distributions under subsections
9 (3) through (5) of this section shall be reduced ratably among the
10 qualifying counties. At such time during the year as additional funds
11 accrue to the county sales and use tax equalization account, additional
12 distributions shall be made under subsections (3) through (5) of this
13 section to the counties.

14 (8) 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) of this section, at
17 such times as distributions are made under RCW 82.44.150, the state
18 treasurer shall apportion an amount to the county public health account
19 created in RCW 70.05.125 equal to the adjustment under RCW
20 70.05.125(2)(b).

21 (9) If the level of revenues in the county sales and use tax
22 equalization account exceeds the amount necessary to make the
23 distributions under subsections (2) through (5) and (8) of this
24 section, then the additional revenues shall be credited and transferred
25 as follows:

26 (a) Fifty percent to the public facilities construction loan
27 revolving account under RCW 43.160.080; and

28 (b) Fifty percent to the distressed county public facilities
29 construction loan account under RCW 43.160.220, or so much thereof as
30 will not cause the balance in the account to exceed twenty-five million
31 dollars. Any remaining funds shall be deposited into the public
32 facilities construction loan revolving account.

33 (10) During the 2003-2005 fiscal biennium, the legislature may
34 transfer from the county sales and use tax equalization account to the
35 state general fund such amounts as reflect the excess fund balance of
36 the account.

1 **Sec. 926.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read
2 as follows:

3 There is created in the state treasury a special account to be
4 known as the "municipal sales and use tax equalization account." Into
5 this account shall be placed such revenues as are provided under RCW
6 82.44.110(1)(e). Funds in this account shall be allocated by the state
7 treasurer according to the following procedure:

8 (1) Prior to January 1st of each year the department of revenue
9 shall determine the total and the per capita levels of revenues for
10 each city and the statewide weighted average per capita level of
11 revenues for all cities imposing the sales and use tax authorized under
12 RCW 82.14.030(1) for the previous calendar year.

13 (2) At such times as distributions are made under RCW 82.44.150,
14 the state treasurer shall apportion to each city not imposing the sales
15 and use tax under RCW 82.14.030(2) an amount from the municipal sales
16 and use tax equalization account equal to the amount distributed to the
17 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

18 (3) Subsequent to the distributions under subsection (2) of this
19 section, and at such times as distributions are made under RCW
20 82.44.150, the state treasurer shall apportion to each city imposing
21 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
22 receiving less than seventy percent of the statewide weighted average
23 per capita level of revenues for all cities as determined by the
24 department of revenue under subsection (1) of this section, an amount
25 from the municipal sales and use tax equalization account sufficient,
26 when added to the per capita level of revenues received the previous
27 calendar year by the city, to equal seventy percent of the statewide
28 weighted average per capita level of revenues for all cities determined
29 under subsection (1) of this section, subject to reduction under
30 subsection (6) of this section.

31 (4) Subsequent to the distributions under subsection (3) of this
32 section, and at such times as distributions are made under RCW
33 82.44.150, the state treasurer shall apportion to each city imposing
34 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
35 receiving a distribution under subsection (3) of this section, a third
36 distribution from the municipal sales and use tax equalization account.
37 The distribution to each qualifying city shall be equal to the
38 distribution to the city under subsection (3) of this section, subject

1 to the reduction under subsection (6) of this section. To qualify for
2 the distributions under this subsection, the city must impose the tax
3 under RCW 82.14.030(2) for the entire calendar year. Cities imposing
4 the tax for less than the full year shall qualify for prorated
5 allocations under this subsection proportionate to the number of months
6 of the year during which the tax is imposed.

7 (5) For a city with an official incorporation date after January 1,
8 1990, municipal sales and use tax equalization distributions shall be
9 made according to the procedures in this subsection. Municipal sales
10 and use tax equalization distributions to eligible new cities shall be
11 made at the same time as distributions are made under subsections (3)
12 and (4) of this section. The department of revenue shall follow the
13 estimating procedures outlined in this subsection until the new city
14 has received a full year's worth of revenues under RCW 82.14.030(1) as
15 of the January municipal sales and use tax equalization distribution.

16 (a) Whether a newly incorporated city determined to receive funds
17 under this subsection receives its first equalization payment at the
18 January, April, July, or October municipal sales and use tax
19 equalization distribution shall depend on the date the city first
20 imposes the tax authorized under RCW 82.14.030(1).

21 (i) A newly incorporated city imposing the tax authorized under RCW
22 82.14.030(1) effective as of January 1st shall be eligible to receive
23 funds under this subsection beginning with the April municipal sales
24 and use tax equalization distribution of that year.

25 (ii) A newly incorporated city imposing the tax authorized under
26 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
27 shall be eligible to receive funds under this subsection beginning with
28 the July municipal sales and use tax equalization distribution of that
29 year.

30 (iii) A newly incorporated city imposing the tax authorized under
31 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
32 be eligible to receive funds under this subsection beginning with the
33 October municipal sales and use tax equalization distribution of that
34 year.

35 (iv) A newly incorporated city imposing the tax authorized under
36 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
37 1st shall be eligible to receive funds under this subsection beginning

1 with the January municipal sales and use tax equalization distribution
2 of the next year.

3 (v) A newly incorporated city imposing the tax authorized under RCW
4 82.14.030(1) effective as of November 1st or December 1st shall be
5 eligible to receive funds under this subsection beginning with the
6 April municipal sales and use tax equalization distribution of the next
7 year.

8 (b) For purposes of calculating the amount of funds the new city
9 should receive under this subsection, the department of revenue shall:

10 (i) Estimate the per capita amount of revenues from the tax
11 authorized under RCW 82.14.030(1) that the new city would have received
12 had the city received revenues from the tax the entire calendar year;

13 (ii) Calculate the amount provided under subsection (3) of this
14 section based on the per capita revenues determined under (b)(i) of
15 this subsection;

16 (iii) Prorate the amount determined under (b)(ii) of this
17 subsection by the number of months the tax authorized under RCW
18 82.14.030(1) is imposed.

19 (c) A new city imposing the tax under RCW 82.14.030(2) at the
20 maximum rate and receiving a distribution calculated under (b) of this
21 subsection shall receive another distribution from the municipal sales
22 and use tax equalization account. This distribution shall be equal to
23 the calculation made under (b)(ii) of this subsection, prorated by the
24 number of months the city imposes the tax authorized under RCW
25 82.14.030(2) at the full rate.

26 (d) The department of revenue shall advise the state treasurer of
27 the amounts calculated under (b) and (c) of this subsection and the
28 state treasurer shall distribute these amounts to the new city from the
29 municipal sales and use tax equalization account subject to the
30 limitations imposed in subsection (6) of this section.

31 (e) Revenues estimated under this subsection shall not affect the
32 calculation of the statewide weighted average per capita level of
33 revenues for all cities made under subsection (1) of this section.

34 (6) If inadequate revenues exist in the municipal sales and use tax
35 equalization account to make the distributions under subsection (3),
36 (4), or (5) of this section, then the distributions under subsections
37 (3), (4), and (5) of this section shall be reduced ratably among the
38 qualifying cities. At such time during the year as additional funds

1 accrue to the municipal sales and use tax equalization account,
2 additional distributions shall be made under subsections (3), (4), and
3 (5) of this section to the cities.

4 (7) If the level of revenues in the municipal sales and use tax
5 equalization account exceeds the amount necessary to make the
6 distributions under subsections (2) through (5) of this section, then
7 the additional revenues shall be apportioned among the several cities
8 within the state ratably on the basis of population as last determined
9 by the office of financial management: PROVIDED, That no such
10 distribution shall be made to those cities receiving a distribution
11 under subsection (2) of this section.

12 (8) During the 2003-2005 fiscal biennium, the legislature may
13 transfer from the municipal sales and use tax equalization account to
14 the state general fund such amounts as reflect the excess fund balance
15 in the account.

16 **Sec. 927.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to
17 read as follows:

18 The flood control assistance account is hereby established in the
19 state treasury. At the beginning of the 1997-99 fiscal biennium and
20 each biennium thereafter the state treasurer shall transfer four
21 million dollars from the general fund to the flood control assistance
22 account. Moneys in the flood control assistance account may be spent
23 only after appropriation for purposes specified under this chapter
24 (~~(or, during the 1997-99 fiscal biennium, for transfer to the disaster~~
25 ~~response account)). During the 2003-2005 fiscal biennium, the~~
26 legislature may transfer from the flood control assistance account to
27 the state general fund such amounts as reflect the excess fund balance
28 of the account.

29 NEW SECTION. **Sec. 928.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected.

33 NEW SECTION. **Sec. 929.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 immediately.

(End of part)

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