

ESSB 6090 - H COMM AMD

By Committee on Appropriations

ADOPTED AS AMENDED 04/08/2005

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

3 "NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject
4 to the provisions set forth in the following sections, the several
5 amounts specified in parts I through VIII of this act, or so much
6 thereof as shall be sufficient to accomplish the purposes designated,
7 are hereby appropriated and authorized to be incurred for salaries,
8 wages, and other expenses of the agencies and offices of the state and
9 for other specified purposes for the fiscal biennium beginning July 1,
10 2005, and ending June 30, 2007, except as otherwise provided, out of
11 the several funds of the state hereinafter named.

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

14 (a) "Fiscal year 2006" or "FY 2006" means the fiscal year ending
15 June 30, 2006.

16 (b) "Fiscal year 2007" or "FY 2007" means the fiscal year ending
17 June 30, 2007.

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

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

21 (e) "Provided solely" means the specified amount may be spent only
22 for the specified purpose.

23 Unless otherwise specifically authorized in this act, any portion
24 of an amount provided solely for a specified purpose which is
25 unnecessary to fulfill the specified purpose shall lapse.

26 **PART I**

27 **GENERAL GOVERNMENT**

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

2 General Fund--State Appropriation (FY 2006) \$29,300,000
3 General Fund--State Appropriation (FY 2007) \$29,372,000
4 TOTAL APPROPRIATION \$58,672,000

5 The appropriations in this section are subject to the following
6 conditions and limitations: \$150,000 of the general fund--state
7 appropriation for fiscal year 2006 is provided solely for the joint
8 select committee on fiscal stability.

9 (1) The joint select committee on fiscal stability is created,
10 consisting of twelve members as follows: Three members shall be
11 appointed by the leader of each of the two largest caucuses of the
12 senate and the two largest caucuses of the house of representatives.
13 The governor shall appoint an additional person to serve as the chair
14 of the committee. The chair may vote on procedural questions, but may
15 not vote on substantive questions concerning the research or
16 recommendations of the committee.

17 (2) The committee shall develop recommendations for specific
18 statutory and constitutional provisions to establish or revise the
19 following:

- 20 (a) Spending limits;
21 (b) Tax limits;
22 (c) Emergency reserve accounts; and
23 (d) Tax reforms necessary to: Create a sustainable system of state
24 and local finance; improve the fairness of state and local taxation;
25 and improve the competitiveness of Washington's economy.

26 (3) The committee shall conduct a series of public hearings on
27 these topics and its proposed recommendations. The hearings shall be
28 held in locations across the state and structured to encourage full
29 participation by persons who represent a balance of perspectives and
30 constituencies. The committee shall submit its findings and
31 recommendations in a report to the fiscal committees of the legislature
32 by January 1, 2006.

33 (4) The committee shall use legislative facilities and staff from
34 senate committee services and the office of program research. The
35 department of revenue shall provide necessary support and information
36 to the committee. The chair of the committee shall be reimbursed for
37 travel expenses in accordance with RCW 43.03.050 and 43.03.060. All

1 expenses of the committee, including travel, shall be paid jointly by
2 the senate and the house of representatives.

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

| | | |
|---|---|--------------|
| 4 | General Fund--State Appropriation (FY 2006) | \$22,623,000 |
| 5 | General Fund--State Appropriation (FY 2007) | \$24,301,000 |
| 6 | TOTAL APPROPRIATION | \$46,924,000 |

7 The appropriations in this section are subject to the following
8 conditions and limitations: \$150,000 of the general fund--state
9 appropriation for fiscal year 2006 is provided solely for the joint
10 select committee on fiscal stability.

11 (1) The joint select committee on fiscal stability is created,
12 consisting of twelve members as follows: Three members shall be
13 appointed by the leader of each of the two largest caucuses of the
14 senate and the two largest caucuses of the house of representatives.
15 The governor shall appoint an additional person to serve as the chair
16 of the committee. The chair may vote on procedural questions, but may
17 not vote on substantive questions concerning the research or
18 recommendations of the committee.

19 (2) The committee shall develop recommendations for specific
20 statutory and constitutional provisions to establish or revise the
21 following:

- 22 (a) Spending limits;
- 23 (b) Tax limits;
- 24 (c) Emergency reserve accounts; and
- 25 (d) Tax reforms necessary to: Create a sustainable system of state
26 and local finance; improve the fairness of state and local taxation;
27 and improve the competitiveness of Washington's economy.

28 (3) The committee shall conduct a series of public hearings on
29 these topics and its proposed recommendations. The hearings shall be
30 held in locations across the state and structured to encourage full
31 participation by persons who represent a balance of perspectives and
32 constituencies. The committee shall submit its findings and
33 recommendations in a report to the fiscal committees of the legislature
34 by January 1, 2006.

35 (4) The committee shall use legislative facilities and staff from
36 senate committee services and the office of program research. The
37 department of revenue shall provide necessary support and information

1 to the committee. The chair of the committee shall be reimbursed for
2 travel expenses in accordance with RCW 43.03.050 and 43.03.060. All
3 expenses of the committee, including travel, shall be paid jointly by
4 the senate and the house of representatives.

5 NEW SECTION. **Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
6 **COMMITTEE**

7 General Fund--State Appropriation (FY 2006) \$3,124,000
8 General Fund--State Appropriation (FY 2007) \$3,094,000
9 TOTAL APPROPRIATION \$6,218,000

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

12 (1) Notwithstanding the provisions in this section, the committee
13 may adjust the due dates for projects included on the committee's 2005-
14 07 work plan as necessary to efficiently manage workload.

15 (2) \$563,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$863,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for consultant costs related to
18 the support of the citizen advisory board required by House Bill No.
19 1064 (government accountability). If House Bill No. 1064 is not
20 enacted by June 30, 2005, the amounts provided in this subsection shall
21 lapse.

22 (3) \$374,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$360,000 of the general fund--state appropriation for
24 fiscal year 2007 are provided solely for consultant costs related to
25 the citizen commission for performance measurement of tax preferences
26 required by House Bill No. 1069 (audits of tax preferences). If House
27 Bill No. 1069 is not enacted by June 30, 2005, the amounts provided in
28 this subsection shall lapse.

29 (4) \$188,000 of the general fund--state appropriation for fiscal
30 year 2006 is provided solely for the cost of evaluating the
31 effectiveness of the job development fund grant program required by
32 House Bill No. 1903 (creating a job development fund). If House Bill
33 No. 1903 is not enacted by June 30, 2005, the amount provided in this
34 subsection shall lapse.

35 (5) \$100,000 of the general fund--state appropriation is provided
36 solely for an evaluation of the budget process used for information
37 technology projects. The evaluation will include: Itemizing total

1 costs for current information technology funding across state agencies;
2 analyzing current processes by which information funding is requested
3 and evaluated; analyzing processes used in the private sector and other
4 states; and assessing the applicability of other practices for
5 improving the state's funding process. A report is due in January
6 2006.

7 (6) \$125,000 of the general fund--state appropriation for fiscal
8 year 2006 is provided solely for a study of the current state pupil
9 transportation funding formula. The study will evaluate the extent to
10 which the formula captures the costs of providing pupil transportation
11 for basic education programs. Based on the results of this evaluation,
12 the study shall develop alternative formulas for allocating state
13 funding to school districts for the transportation of students for
14 basic education programs. The alternative formulas shall take into
15 account the legislative definition of basic education programs, promote
16 the efficient use of state and local resources, and allow local
17 district control over the management of pupil transportation systems.
18 In addition, the study shall include a review of the funding mechanisms
19 used by other states and identify best practices.

20 (7) Within amounts provided in this section, the committee shall
21 conduct a review of the special education excess cost accounting
22 methodology and expenditure reporting requirements. The committee
23 shall work with the state auditor's office and develop a mutually
24 acceptable work plan in conducting this review. This review may
25 include, but is not limited to: (a) An analysis of the current special
26 education excess cost accounting methodology and related special
27 education expenditure reporting requirements; (b) an examination of
28 whether opportunities exist for modifying the current excess cost
29 accounting methodology and expenditure reporting requirements; (c) an
30 assessment of the potential impact on school districts if the current
31 excess cost accounting methodology and expenditure reporting
32 requirements are modified; and (d) any findings and recommendations
33 from the state auditor's office examination of whether school districts
34 are appropriately and consistently applying the current excess cost
35 methodology. The committee shall provide a report to the appropriate
36 policy and fiscal committees of the legislature in January 2006.

1 **NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND**
2 **ACCOUNTABILITY PROGRAM COMMITTEE**

3 General Fund--State Appropriation (FY 2006) \$1,677,000
4 General Fund--State Appropriation (FY 2007) \$1,829,000
5 TOTAL APPROPRIATION \$3,506,000

6 **NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY**
7 Department of Retirement Systems Expense Account--

8 State Appropriation \$2,902,000

9 **NEW SECTION. Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**
10 **COMMITTEE**

11 General Fund--State Appropriation (FY 2006) \$7,142,000
12 General Fund--State Appropriation (FY 2007) \$7,038,000
13 TOTAL APPROPRIATION \$14,180,000

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

15 General Fund--State Appropriation (FY 2006) \$3,975,000
16 General Fund--State Appropriation (FY 2007) \$4,209,000
17 TOTAL APPROPRIATION \$8,184,000

18 **NEW SECTION. Sec. 108. LEGISLATIVE AGENCIES.** In order to achieve
19 operating efficiencies within the financial resources available to the
20 legislative branch, the executive rules committee of the house of
21 representatives and the facilities and operations committee of the
22 senate by joint action may transfer funds among the house of
23 representatives, senate, joint legislative audit and review committee,
24 legislative evaluation and accountability program committee,
25 legislative transportation committee, office of the state actuary,
26 joint legislative systems committee, and statute law committee.

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

28 General Fund--State Appropriation (FY 2006) \$5,901,000
29 General Fund--State Appropriation (FY 2007) \$6,057,000
30 TOTAL APPROPRIATION \$11,958,000

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

32 General Fund--State Appropriation (FY 2006) \$1,983,000

| | | |
|---|---|-------------|
| 1 | General Fund--State Appropriation (FY 2007) | \$1,982,000 |
| 2 | TOTAL APPROPRIATION | \$3,965,000 |

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

| | | |
|---|---|--------------|
| 4 | General Fund--State Appropriation (FY 2006) | \$13,541,000 |
| 5 | General Fund--State Appropriation (FY 2007) | \$13,798,000 |
| 6 | TOTAL APPROPRIATION | \$27,339,000 |

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

| | | |
|----|---|-------------|
| 8 | General Fund--State Appropriation (FY 2006) | \$1,035,000 |
| 9 | General Fund--State Appropriation (FY 2007) | \$1,063,000 |
| 10 | TOTAL APPROPRIATION | \$2,098,000 |

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

| | | |
|----|--|---------------|
| 12 | General Fund--State Appropriation (FY 2006) | \$18,893,000 |
| 13 | General Fund--State Appropriation (FY 2007) | \$18,991,000 |
| 14 | Public Safety and Education Account--State | |
| 15 | Appropriation | \$49,324,000 |
| 16 | Judicial Information Systems Account--State | |
| 17 | Appropriation | \$25,199,000 |
| 18 | Trial Court Improvement Account--State Appropriation | \$1,440,000 |
| 19 | TOTAL APPROPRIATION | \$113,847,000 |

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

22 (1) \$750,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$750,000 of the general fund--state appropriation for
24 fiscal year 2007 are provided solely for court-appointed special
25 advocates in dependency matters. The administrator for the courts
26 shall not retain more than six percent of total funding to cover
27 administrative or any other agency costs.

28 (2) \$720,000 of the trial court improvement account--state
29 appropriation for fiscal year 2006 and \$720,000 of the trial court
30 improvement account--state appropriation for fiscal year 2006 are
31 provided for the implementation of Engrossed Second Substitute House
32 Bill No. 5454 (revising trial court funding provisions). If the bill
33 is not enacted by June 30, 2005, the amount provided in this subsection
34 shall lapse.

1 (3) \$82,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$82,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for the implementation of House
4 Bill No. 1112 (creating an additional superior court position). If the
5 bill is not enacted by June 30, 2005, the amounts in this subsection
6 shall lapse.

7 (4) \$17,000 of the general fund--state appropriation for fiscal
8 year 2006 and \$11,000 of the general fund--state appropriation for
9 fiscal year 2007 are provided solely for the implementation of
10 Substitute House Bill No. 1854 (driving privilege). If the bill is not
11 enacted by June 30, 2005, the amounts in this subsection shall lapse.

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

13 General Fund--State Appropriation (FY 2006) \$690,000
14 General Fund--State Appropriation (FY 2007) \$1,078,000
15 Public Safety and Education Account--State
16 Appropriation \$13,288,000
17 Judicial Improvement Account--State Appropriation \$8,260,000
18 TOTAL APPROPRIATION \$23,316,000

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

21 (1) \$3,500,000 of the judicial improvement account--state
22 appropriation for fiscal year 2006 and \$3,500,000 of the judicial
23 improvement account--state appropriation for fiscal year 2007 are
24 provided solely to expand the parent representation project in
25 dependency and termination cases. If Engrossed Second Substitute Bill
26 No. 5454 (revising trial court funding provisions) is not enacted by
27 June 30, 2005, the amounts provided in this subsection shall lapse.

28 (2) \$630,000 of the judicial improvement account--state
29 appropriation for fiscal year 2006 and \$630,000 of the judicial
30 improvement account--state appropriation for fiscal year 2007 are
31 provided for trial level indigent defense pursuant to Engrossed Second
32 Substitute Bill No. 5454 (revising trial court funding provisions). If
33 the bill is not enacted by June 30, 2005, the amounts provided in this
34 subsection shall lapse.

35 (3) Amounts provided from the public safety and education account
36 appropriation in this section include funding for investigative
37 services in death penalty personal restraint petitions.

1 (4) \$300,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$300,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely to contract with the Washington
4 defender association to continue services previously funded from the
5 federal drug control and system improvement formula grant through the
6 department of community, trade, and economic development.

7 NEW SECTION. **Sec. 115. FOR THE OFFICE OF CIVIL LEGAL AID**

| | | |
|----|---|--------------|
| 8 | General Fund--State Appropriation (FY 2006) | \$916,000 |
| 9 | General Fund--State Appropriation (FY 2007) | \$2,832,000 |
| 10 | Public Safety and Education Account--State | |
| 11 | Appropriation | \$4,701,000 |
| 12 | Violence Reduction and Drug Enforcement Account-- | |
| 13 | State Appropriation | \$4,958,000 |
| 14 | Judicial Improvement Account--State Appropriation | \$3,000,000 |
| 15 | TOTAL APPROPRIATION | \$16,407,000 |

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

18 (1) \$816,000 of the general fund--state appropriation for fiscal
19 year 2006, \$2,732,000 of the general fund--state appropriation for
20 fiscal year 2007, \$4,701,000 of the public safety and education
21 account--state appropriation, and \$4,958,000 of the violence reduction
22 and drug enforcement account--state appropriation are contingent upon
23 enactment of Substitute House Bill No. 1747 (civil legal services). If
24 the bill is not enacted by June 30, 2005, these appropriations shall be
25 made to the department of community, trade, and economic development
26 and are provided solely for the purpose of civil legal services.

27 (2) \$3,000,000 of the judicial improvement account--state
28 appropriation is provided for the implementation of Engrossed Second
29 Substitute House Bill No. 5454 (revising trial court funding
30 provisions). If the bill is not enacted by June 30, 2005, the amount
31 provided in this subsection shall lapse.

32 (3) \$100,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$100,000 of the general fund--state appropriation for
34 fiscal year 2007 are contingent upon enactment of Substitute House Bill
35 No. 1747 (civil legal services). If the bill is not enacted by June
36 30, 2005, the appropriation shall be made to the department of
37 community, trade, and economic development and is provided solely for

1 a general farm organization with members in every county of the state
2 to develop and administer an alternative dispute resolution system for
3 disputes between farmers and farm workers.

4 NEW SECTION. **Sec. 116. FOR THE OFFICE OF THE GOVERNOR**

| | | |
|---|---|--------------|
| 5 | General Fund--State Appropriation (FY 2006) | \$5,680,000 |
| 6 | General Fund--State Appropriation (FY 2007) | \$5,036,000 |
| 7 | General Fund--Federal Appropriation | \$1,350,000 |
| 8 | Water Quality Account--State Appropriation | \$4,112,000 |
| 9 | TOTAL APPROPRIATION | \$16,178,000 |

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

12 (1) \$4,112,000 of the water quality account appropriation and
13 \$1,150,000 of the general fund--federal appropriation are provided
14 solely for the Puget Sound water quality action team to implement the
15 Puget Sound conservation and recovery plan action items PSAT-01 through
16 PSAT-06.

17 (2) \$200,000 of the general fund--state appropriation for fiscal
18 year 2006, \$200,000 of the general fund--state appropriation for fiscal
19 year 2007, and \$200,000 of the general fund--federal appropriation are
20 provided solely for one-time corrective actions to address Hood canal's
21 dissolved oxygen problems, the Puget Sound conservation and recovery
22 plan action item PSAT-07.

23 (3) As described in section 129(9) of this act, the Puget Sound
24 water quality action team shall make recommendations and report on
25 monitoring activities related to salmon recovery.

26 (4) \$386,000 of the general fund--state appropriation for fiscal
27 year 2006 and \$158,000 of the general fund--state appropriation for
28 fiscal year 2007 are provided solely for the implementation of House
29 Bill No. 1152 (early learning council). If House Bill No. 1152 is not
30 enacted by June 30, 2005, the amounts provided in this subsection shall
31 lapse.

32 (5) For the governor's funding request pursuant to RCW 74.39A.300
33 to be submitted to the legislature by December 20, 2006, it is the
34 intent of the legislature to consider a fringe benefits funding request
35 that provides health care benefits substantially equivalent in cost to
36 those available to individual providers pursuant to chapter 25, Laws of
37 2003 1st sp. sess.

1 (6) \$100,000 of the general fund--state appropriation for fiscal
 2 year 2006 and \$100,000 of the general fund--state appropriation for
 3 fiscal year 2007 are provided solely to implement Engrossed Substitute
 4 House Bill No. 2097 (management program for Hood Canal). If Engrossed
 5 Substitute House Bill No. 2097 is not enacted by June 30, 2005, the
 6 amounts provided in this subsection shall lapse.

7 NEW SECTION. **Sec. 117. FOR THE LIEUTENANT GOVERNOR**

| | | |
|----|---|-------------|
| 8 | General Fund--State Appropriation (FY 2006) | \$761,000 |
| 9 | General Fund--State Appropriation (FY 2007) | \$762,000 |
| 10 | TOTAL APPROPRIATION | \$1,523,000 |

11 NEW SECTION. **Sec. 118. FOR THE PUBLIC DISCLOSURE COMMISSION**

| | | |
|----|---|-------------|
| 12 | General Fund--State Appropriation (FY 2006) | \$2,013,000 |
| 13 | General Fund--State Appropriation (FY 2007) | \$1,998,000 |
| 14 | TOTAL APPROPRIATION | \$4,011,000 |

15 The appropriations in this section are subject to the following
 16 conditions and limitations: \$66,000 of the general fund--state
 17 appropriation for fiscal year 2006 and \$56,000 of the general fund--
 18 state appropriation for fiscal year 2007 are provided solely for the
 19 implementation of House Bill No. 1226 (campaign contribution limits).
 20 If House Bill No. 1226 is not enacted by June 30, 2005, the amounts
 21 provided in this subsection shall lapse.

22 NEW SECTION. **Sec. 119. FOR THE SECRETARY OF STATE**

| | | |
|----|---|---------------|
| 23 | General Fund--State Appropriation (FY 2006) | \$18,934,000 |
| 24 | General Fund--State Appropriation (FY 2007) | \$16,980,000 |
| 25 | General Fund--Federal Appropriation | \$7,025,000 |
| 26 | General Fund--Private/Local Appropriation | \$125,000 |
| 27 | Archives and Records Management Account--State | |
| 28 | Appropriation | \$8,023,000 |
| 29 | Department of Personnel Services Account--State | |
| 30 | Appropriation | \$702,000 |
| 31 | Local Government Archives Account--State | |
| 32 | Appropriation | \$11,773,000 |
| 33 | Election Account--Federal Appropriation | \$47,498,000 |
| 34 | TOTAL APPROPRIATION | \$111,060,000 |

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

3 (1) \$2,296,000 of the general fund--state appropriation for fiscal
4 year 2006 is provided solely to reimburse counties for the state's
5 share of primary and general election costs and the costs of conducting
6 mandatory recounts on state measures. Counties shall be reimbursed
7 only for those odd-year election costs that the secretary of state
8 validates as eligible for reimbursement.

9 (2) \$1,999,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$2,403,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided solely for the verification of initiative
12 and referendum petitions, maintenance of related voter registration
13 records, and the publication and distribution of the voters and
14 candidates pamphlet.

15 (3) \$125,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$118,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for legal advertising of state
18 measures under RCW 29.27.072.

19 (4)(a) \$2,028,004 of the general fund--state appropriation for
20 fiscal year 2006 and \$2,063,772 of the general fund--state
21 appropriation for fiscal year 2007 are provided solely for contracting
22 with a nonprofit organization to produce gavel-to-gavel television
23 coverage of state government deliberations and other events of
24 statewide significance during the 2005-07 biennium. The funding level
25 for each year of the contract shall be based on the amount provided in
26 this subsection. The nonprofit organization shall be required to raise
27 contributions or commitments to make contributions, in cash or in kind,
28 in an amount equal to forty percent of the state contribution. The
29 office of the secretary of state may make full or partial payment once
30 all criteria in (a) and (b) of this subsection have been satisfactorily
31 documented.

32 (b) The legislature finds that the commitment of on-going funding
33 is necessary to ensure continuous, autonomous, and independent coverage
34 of public affairs. For that purpose, the secretary of state shall
35 enter into a contract with the nonprofit organization to provide public
36 affairs coverage.

37 (c) The nonprofit organization shall prepare an annual independent

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

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

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

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

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

15 (5) \$196,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$173,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided for the implementation of House Bill No.
18 1749 (county election procedures). If the bill is not enacted by June
19 30, 2005, the amounts provided in this subsection shall lapse.

20 NEW SECTION. **Sec. 120. FOR THE GOVERNOR'S OFFICE OF INDIAN**
21 **AFFAIRS**

| | | |
|----|---|-----------|
| 22 | General Fund--State Appropriation (FY 2006) | \$344,000 |
| 23 | General Fund--State Appropriation (FY 2007) | \$349,000 |
| 24 | TOTAL APPROPRIATION | \$693,000 |

25 The appropriations in this section are subject to the following
26 conditions and limitations: The office shall assist the department of
27 personnel on providing the government-to-government training sessions
28 for federal, state, local, and tribal government employees. The
29 training sessions shall cover tribal historical perspectives, legal
30 issues, tribal sovereignty, and tribal governments. Costs of the
31 training sessions shall be recouped through a fee charged to the
32 participants of each session. The department of personnel shall be
33 responsible for all of the administrative aspects of the training,
34 including the billing and collection of the fees for the training.

35 NEW SECTION. **Sec. 121. FOR THE COMMISSION ON ASIAN-PACIFIC-**

| | | |
|---|---|-----------|
| 1 | AMERICAN AFFAIRS | |
| 2 | General Fund--State Appropriation (FY 2006) | \$298,000 |
| 3 | General Fund--State Appropriation (FY 2007) | \$293,000 |
| 4 | TOTAL APPROPRIATION | \$591,000 |

| | | |
|---|--|--------------|
| 5 | <u>NEW SECTION.</u> Sec. 122. FOR THE STATE TREASURER | |
| 6 | State Treasurer's Service Account--State | |
| 7 | Appropriation | \$13,666,000 |

| | | |
|----|--|--------------|
| 8 | <u>NEW SECTION.</u> Sec. 123. FOR THE STATE AUDITOR | |
| 9 | General Fund--State Appropriation (FY 2006) | \$2,160,000 |
| 10 | General Fund--State Appropriation (FY 2007) | \$2,818,000 |
| 11 | State Auditing Services Revolving Account--State | |
| 12 | Appropriation | \$13,645,000 |
| 13 | TOTAL APPROPRIATION | \$18,623,000 |

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

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

21 (2) \$731,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$727,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely for staff and related costs to
24 verify the accuracy of reported school district data submitted for
25 state funding purposes; conduct school district program audits of state
26 funded public school programs; establish the specific amount of state
27 funding adjustments whenever audit exceptions occur and the amount is
28 not firmly established in the course of regular public school audits;
29 and to assist the state special education safety net committee when
30 requested.

31 (3) The office shall report to the office of financial management
32 and the appropriate fiscal committees of the legislature detailed
33 information on risk-based auditing, its theory, and its application for
34 the audits performed on Washington state government. The report shall
35 include an explanation of how the office identifies, measures, and
36 prioritizes risk, the manner in which the office uses these factors in

1 the planning and execution of the audits of Washington state
2 government, and the methods and procedures used in the conduct of the
3 risk-based audits themselves. The report is due no later than December
4 1, 2005.

5 (4) \$1,413,000 of the general fund--state appropriation for fiscal
6 year 2006, \$2,091,000 of the general fund--state appropriation for
7 fiscal year 2007, and \$2,000 of the state auditing services revolving
8 account--state appropriation for fiscal year 2006 are provided solely
9 for the implementation of Engrossed Substitute House Bill No. 1064
10 (government performance). If Engrossed Substitute House Bill No. 1064
11 is not enacted by June 30, 2005, the amounts provided in this
12 subsection shall lapse.

13 (5) \$16,000 of the general fund--state appropriation for fiscal
14 year 2006 is provided for a review of special education excess cost
15 accounting and reporting requirements. The state auditor's office
16 shall coordinate this work with the joint legislative audit and review
17 committee's review of the special education excess cost accounting
18 methodology and expenditure reporting requirements. The state
19 auditor's review shall include an examination of whether school
20 districts are (a) appropriately implementing the excess cost accounting
21 methodology; (b) consistently charging special education expenses to
22 the special education and basic education programs; (c) appropriately
23 determining the percentage of expenditures that should be charged to
24 the special education and basic education programs; and (d)
25 appropriately and consistently reporting special education
26 expenditures. The results of this review will be included in the joint
27 legislative audit and review committee's report issued in January 2006.

28 NEW SECTION. **Sec. 124. FOR THE CITIZENS' COMMISSION ON SALARIES**
29 **FOR ELECTED OFFICIALS**

| | | |
|----|---|-----------|
| 30 | General Fund--State Appropriation (FY 2006) | \$133,000 |
| 31 | General Fund--State Appropriation (FY 2007) | \$202,000 |
| 32 | TOTAL APPROPRIATION | \$335,000 |

33 NEW SECTION. **Sec. 125. FOR THE ATTORNEY GENERAL**

| | | |
|----|---|-------------|
| 34 | General Fund--State Appropriation (FY 2006) | \$5,172,000 |
| 35 | General Fund--State Appropriation (FY 2007) | \$5,052,000 |
| 36 | General Fund--Federal Appropriation | \$2,927,000 |

| | | |
|---|---|---------------|
| 1 | Public Safety and Education Account--State | |
| 2 | Appropriation | \$2,239,000 |
| 3 | New Motor Vehicle Arbitration Account--State | |
| 4 | Appropriation | \$1,298,000 |
| 5 | Legal Services Revolving Account--State Appropriation . . | \$181,865,000 |
| 6 | Tobacco Prevention and Control Account--State | |
| 7 | Appropriation | \$270,000 |
| 8 | TOTAL APPROPRIATION | \$198,823,000 |

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

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

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

22 (3) \$178,000 of the legal services revolving account--state
23 appropriation is subject to enactment of Engrossed Substitute House
24 Bill No. 1251 (refund anticipation loans). If the bill is not enacted
25 by June 30, 2005, the appropriations out of this account shall be made
26 from the general fund.

27 NEW SECTION. **Sec. 126. FOR THE CASELOAD FORECAST COUNCIL**

| | | |
|----|---|-------------|
| 28 | General Fund--State Appropriation (FY 2006) | \$712,000 |
| 29 | General Fund--State Appropriation (FY 2007) | \$695,000 |
| 30 | TOTAL APPROPRIATION | \$1,407,000 |

31 NEW SECTION. **Sec. 127. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
32 **AND ECONOMIC DEVELOPMENT**

| | | |
|----|---|---------------|
| 33 | General Fund--State Appropriation (FY 2006) | \$68,167,000 |
| 34 | General Fund--State Appropriation (FY 2007) | \$68,702,000 |
| 35 | General Fund--Federal Appropriation | \$247,903,000 |
| 36 | General Fund--Private/Local Appropriation | \$12,175,000 |

| | | |
|----|--|---------------|
| 1 | Public Safety and Education Account--State | |
| 2 | Appropriation | \$5,552,000 |
| 3 | Public Works Assistance Account--State Appropriation | \$2,678,000 |
| 4 | Tourism Development and Promotion Account | |
| 5 | Appropriation | \$300,000 |
| 6 | Drinking Water Assistance Administrative Account-- | |
| 7 | State Appropriation | \$213,000 |
| 8 | Lead Paint Account--State Appropriation | \$6,000 |
| 9 | Building Code Council Account--State Appropriation | \$1,108,000 |
| 10 | Administrative Contingency Account--State | |
| 11 | Appropriation | \$1,808,000 |
| 12 | Low-Income Weatherization Assistance Account--State | |
| 13 | Appropriation | \$8,359,000 |
| 14 | Violence Reduction and Drug Enforcement Account--State | |
| 15 | Appropriation | \$5,240,000 |
| 16 | Manufactured Home Installation Training Account--State | |
| 17 | Appropriation | \$236,000 |
| 18 | Community and Economic Development Fee Account--State | |
| 19 | Appropriation | \$1,567,000 |
| 20 | Washington Housing Trust Account--State | |
| 21 | Appropriation | \$18,881,000 |
| 22 | Homeless Families Service Account--State Appropriation | \$300,000 |
| 23 | Public Facility Construction Loan Revolving | |
| 24 | Account--State Appropriation | \$601,000 |
| 25 | Mobile Home Investigation Account--State Appropriation | \$261,000 |
| 26 | Homeless Housing Account--State Appropriation | \$10,350,000 |
| 27 | Individual Development Account--State Appropriation | \$1,021,000 |
| 28 | TOTAL APPROPRIATION | \$455,428,000 |

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

31 (1) \$2,838,000 of the general fund--state appropriation for fiscal
32 year 2006 and \$2,838,000 of the general fund--state appropriation for
33 fiscal year 2007 are provided solely for a contract with the Washington
34 technology center for work essential to the mission of the Washington
35 technology center and conducted in partnership with universities. The
36 center shall not pay any increased indirect rate nor increases in other
37 indirect charges above the absolute amount paid during the 1995-97
38 fiscal biennium.

1 (2) \$5,902,000 of the general fund--federal appropriation is
2 provided solely for the justice assistance grant program, to be
3 distributed in state fiscal year 2006 as follows:

4 (a) \$2,064,000 to local units of government to continue
5 multijurisdictional narcotics task forces;

6 (b) \$330,000 to the department to continue the drug prosecution
7 assistance program in support of multijurisdictional narcotics task
8 forces;

9 (c) \$675,000 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) \$20,000 to the department for tribal law enforcement;

13 (e) \$345,000 to the department to continue domestic violence legal
14 advocacy;

15 (f) \$60,000 to the department for community-based advocacy services
16 to victims of violent crime, other than sexual assault and domestic
17 violence;

18 (g) \$351,000 to the department of social and health services,
19 division of alcohol and substance abuse, for juvenile drug courts in
20 eastern and western Washington;

21 (h) \$626,000 to the department of social and health services,
22 juvenile rehabilitation administration, to continue youth violence
23 prevention and intervention projects;

24 (i) \$97,000 to the department to continue evaluation of this grant
25 program;

26 (j) \$290,000 to the office of financial management for criminal
27 history records improvement;

28 (k) \$580,000 to the department for required grant administration,
29 monitoring, and reporting on justice assistance grant programs; and

30 (l) \$464,000 to the department for distribution to small
31 municipalities.

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

1 be carried forward and applied to the pool of moneys available for
2 appropriation for programs and projects in the succeeding fiscal year.
3 As part of its budget request for the succeeding year, the department
4 shall estimate and request authority to spend any justice assistance
5 grant funds.

6 (3) \$170,000 of the general fund--state appropriation for fiscal
7 year 2006 and \$170,000 of the general fund--state appropriation for
8 fiscal year 2007 are provided solely to fund domestic violence legal
9 advocacy, in recognition of reduced federal grant funding.

10 (4) \$28,875,000 of the general fund--state appropriation for fiscal
11 year 2006 and \$29,941,000 of the general fund--state appropriation for
12 fiscal year 2007 are provided solely for providing early childhood
13 education assistance. Of these amounts, \$1,497,000 in each fiscal year
14 is provided solely to increase the number of children receiving
15 education, and \$1,052,000 in fiscal year 2006 and \$2,146,000 in fiscal
16 year 2007 are provided solely for a targeted vendor rate increase.

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

30 (6) \$1,288,000 of the Washington housing trust account--state
31 appropriation shall lapse if neither Engrossed House Bill No. 1074 nor
32 Substitute Senate Bill No. 5108 (housing programs) are enacted by June
33 30, 2005.

34 (7) \$235,000 of the public works assistance account--state
35 appropriation is provided solely for technical assistance to
36 municipalities through the small communities initiative.

37 (8) \$725,000 of the general fund--state appropriation for fiscal
38 year 2006 and \$725,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely for food banks to obtain and
2 distribute additional nutritious food; and purchase equipment to
3 transport and store perishable products.

4 (9) \$1,154,000 of the violence reduction and drug enforcement
5 account appropriation is provided solely for the community mobilization
6 program to provide grants and training to community organizations.

7 (10) \$2,000,000 of the general fund--state appropriation for fiscal
8 year 2007 is provided solely for the community services block grant
9 program to replace federal funding.

10 (11) \$4,950,000 of the homeless housing account--state
11 appropriation for fiscal year 2006 and \$5,400,000 of the homeless
12 housing account--state appropriation for fiscal year 2007 are provided
13 solely for the implementation of House Bill No. 2163 (homeless housing
14 program). If House Bill No. 2163 is not enacted by June 30, 2005, the
15 amounts provided in this subsection shall lapse.

16 (12) \$106,000 of the general fund--state appropriation for fiscal
17 year 2006 and \$261,000 of the mobile home investigations account--state
18 appropriation for fiscal year 2006 are provided solely for the
19 implementation of Engrossed Substitute House Bill No. 1640 (landlord
20 and tenant disputes). If Engrossed Substitute House Bill No. 1640 is
21 not enacted by June 30, 2005, the amounts provided in this subsection
22 shall lapse.

23 (13) \$404,000 of the individual development account--state
24 appropriation for fiscal year 2006 and \$617,000 of the individual
25 development account--state appropriation for fiscal year 2007 are
26 provided solely for the implementation of Substitute House Bill No.
27 1408 (individual development account). If Substitute House Bill No.
28 1408 is not enacted by June 30, 2005, the amounts provided in this
29 subsection shall lapse.

30 (14) \$215,000 of the general fund--state appropriation for fiscal
31 year 2006 is provided solely for matching funds for a federal economic
32 development administration grant awarded to the city of Kent to conduct
33 a feasibility study and economic analysis for the establishment of a
34 center for advanced manufacturing.

35 (15) \$20,000 of the general fund--state appropriation for fiscal
36 year 2006 is provided solely for the department to compile a report on
37 housing stock in Washington state to identify areas of potentially high
38 risk for child lead exposure. This report shall include an analysis of

1 existing data regarding the ages of housing stock in specific regions
2 and an analysis of data regarding actual lead poisoning cases, which
3 shall be provided by the department of health's childhood lead
4 poisoning surveillance program.

5 (16) \$150,000 of general fund--state appropriation for fiscal year
6 2006 is provided solely for the Cascade land conservancy to develop and
7 implement a plan for regional conservation within King, Kittitas,
8 Pierce, and Snohomish counties.

9 (17) \$50,000 of the general fund--state appropriation for fiscal
10 year 2006 is provided solely for the support, including safety and
11 security costs, of the America's freedom salute to be held in the
12 Vancouver, Washington area.

13 (18) \$250,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$250,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for Snohomish county for a law
16 enforcement and treatment methamphetamine pilot program. \$250,000 of
17 the general fund--state appropriation for fiscal year 2006 and \$250,000
18 of the general fund--state appropriation for fiscal year 2007 are
19 provided solely for Pierce county for the extension of treatment
20 alternatives and targeting the identification, arrest, and prosecution
21 of perpetrators of methamphetamine-related crimes.

22 (19) \$50,000 of the general fund--state appropriation is provided
23 solely for one pilot project to promote the study and implementation of
24 safe neighborhoods through community planning.

25 (20) \$287,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$288,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely for Walla Walla community college
28 to establish the water and environmental studies center to provide
29 workforce education and training, encourage innovative approaches and
30 practices that address environmental and cultural issues, and
31 facilitate the Walla Walla watershed alliance role in promoting
32 communication leading to cooperative conservation efforts that
33 effectively address urban and rural water and environmental issues.

34 (21) \$50,000 of the general fund--state appropriation for fiscal
35 year 2006 is provided solely for work with the northwest food
36 processors association on the food processing cluster development
37 project.

1 (22) \$300,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$200,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for the northwest agriculture
4 incubator project, which will support small farms in economic
5 development.

6 (23) \$150,000 of the general fund--state appropriation for fiscal
7 year 2006 is provided solely to the department of community, trade, and
8 economic development as the final appropriation for the youth
9 assessment center in Pierce county for activities dedicated to reducing
10 the rate of incarceration of juvenile offenders.

11 (24) \$170,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$170,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely for the implementation of Second
14 Substitute House Bill No. 1815 (small business incubator). \$250,000
15 must be distributed as grants and must be matched by an equal amount of
16 private funds. If Second Substitute House Bill No. 1815 is not enacted
17 by June 30, 2005, the amounts provided in this subsection shall lapse.

18 (25) The department shall coordinate any efforts geared towards the
19 2010 Olympics with the regional effort being conducted by the Pacific
20 northwest economic region, a statutory committee.

21 (26) In addition to other funds available for this purpose,
22 \$140,000 of the public safety and education account--state
23 appropriation is provided solely for the court-appointed special
24 advocates program.

25 NEW SECTION. **Sec. 128. FOR THE ECONOMIC AND REVENUE FORECAST**
26 **COUNCIL**

| | | |
|----|---|-------------|
| 27 | General Fund--State Appropriation (FY 2006) | \$568,000 |
| 28 | General Fund--State Appropriation (FY 2007) | \$503,000 |
| 29 | TOTAL APPROPRIATION | \$1,071,000 |

30 NEW SECTION. **Sec. 129. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

| | | |
|----|--|--------------|
| 31 | General Fund--State Appropriation (FY 2006) | \$17,004,000 |
| 32 | General Fund--State Appropriation (FY 2007) | \$15,622,000 |
| 33 | General Fund--Federal Appropriation | \$23,510,000 |
| 34 | Public Works Assistance Account--State Appropriation | \$200,000 |
| 35 | Violence Reduction and Drug Enforcement Account--State | |
| 36 | Appropriation | \$246,000 |

| | | |
|---|--|--------------|
| 1 | State Auditing Services Revolving Account--State | |
| 2 | Appropriation | \$25,000 |
| 3 | TOTAL APPROPRIATION | \$56,607,000 |

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

6 (1) \$200,000 of the public works assistance account appropriation
7 is provided solely for an inventory and evaluation of the most
8 effective way to organize the state public infrastructure programs and
9 funds. The inventory and evaluation shall be delivered to the governor
10 and the appropriate committees of the legislature by September 1, 2005.

11 (2)(a) \$182,000 of the general fund--state appropriation for fiscal
12 year 2006 is provided solely for an advisory council to study
13 residential services for persons with developmental disabilities. The
14 study shall identify a preferred system of services and a plan to
15 implement the system within four years. By October 1, 2005,
16 recommendations shall be provided on the services that best address
17 client needs in different regions of the state, and by January 1, 2006,
18 recommendations on the preferred system shall be complete. The
19 advisory council may contract for specialized services to complete the
20 study.

21 (b) The advisory council shall consist of thirteen members.
22 Members appointed by the governor, include one representative from each
23 of the governor's office, the office of financial management, the
24 department of social and health services, the Washington state
25 disabilities council, a labor organization, the community residential
26 care providers, residents of residential habilitation centers,
27 individuals served by community residential programs, and individuals
28 with developmental disabilities who reside or resided in residential
29 habilitation centers. The advisory council shall also include two
30 members of the house of representatives appointed by the speaker of the
31 house of representatives representing the majority and minority
32 caucuses and two members of the senate appointed by the president of
33 the senate representing the majority and minority caucuses.
34 Legislative members of the advisory group shall be reimbursed in
35 accordance with RCW 44.04.120, and nonlegislative members in accordance
36 with RCW 43.03.050 and 44.04.120. Staff support shall be provided by
37 the department of social and health services, the developmental

1 disabilities council, the office of financial management, the house of
2 representatives office of program research, and senate committee
3 services.

4 (3) \$1,041,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$706,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for a study that will provide an
7 in-depth review of the policy and funding issues facing Washington's
8 education system and will provide recommendations in the areas of
9 finance, governance, efficiency, and accountability. The steering
10 committee will submit findings and final recommendations by November
11 15, 2006.

12 (4) \$127,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$46,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for the implementation of House
15 Bill No. 1834 (performance measures). If Substitute House Bill No.
16 1834 is not enacted by June 30, 2005, the amounts provided in this
17 subsection shall lapse.

18 (5) \$160,000 of the general fund--state appropriation for fiscal
19 year 2006 and \$79,000 of the general fund--state appropriation for
20 fiscal year 2007 are provided solely for the implementation of
21 Engrossed House Bill No. 2257 (state contracts). If Engrossed House
22 Bill No. 2257 is not enacted by June 30, 2005, the amounts provided in
23 this subsection shall lapse.

24 (6) \$75,000 of the general fund--state appropriation for fiscal
25 year 2006 is provided to the office of regulatory assistance and is
26 subject to the following conditions and limitations:

27 (a) This amount is provided solely for the enhanced planning and
28 permit pilot program; and

29 (b) Regulatory assistance is to select two local government
30 planning and permitting offices to participate in an enhanced permit
31 assistance pilot program. Such enhancement may include, but is not
32 limited to:

33 (i) Creation of local and state interagency planning and permit
34 review teams;

35 (ii) Use of advanced online planning and permit applications;

36 (iii) Using loaned executives; and

37 (iv) Additional technical assistance and guidance for permit
38 applicants.

1 (7) \$303,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$255,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for the implementation of Second
4 Substitute House Bill No. 1970 (government management). If the bill is
5 not enacted by June 30, 2005, the amounts provided in this subsection
6 shall lapse.

7 (8) \$250,000 of the general fund--state appropriation for fiscal
8 year 2006 and \$250,000 of the general fund--state appropriation for
9 fiscal year 2007 are provided solely for implementation of Substitute
10 Engrossed House Bill No. 1242 (budgeting outcomes and priorities). If
11 the bill is not enacted by June 30, 2005, the amounts provided in this
12 subsection shall lapse.

13 (9) The department of ecology, the department of fish and wildlife,
14 the department of natural resources, the conservation commission, and
15 the interagency committee for outdoor recreation shall make
16 recommendations to improve or eliminate monitoring activities related
17 to salmon recovery and watershed health. The agencies shall coordinate
18 with the governor's forum on monitoring and watershed health and
19 consult with the office of financial management in determining the
20 scope and contents of the report.

21 The agencies shall prepare a report detailing all new activity and
22 updating all previously identified activity within the comprehensive
23 monitoring strategy. The report shall identify the monitoring activity
24 being performed and include: The purpose of the monitoring activity,
25 when the activity started, who uses the information, how often it is
26 accessed, what costs are incurred by fund, what frequency is used to
27 collect data, what geographic location is used to collect data, where
28 the information is stored, and what is the current status and cost by
29 fund source of the data storage systems.

30 The agencies shall provide a status report summarizing progress to
31 the governor's forum on monitoring and watershed health and the office
32 of financial management by March 1, 2006. A final report to the
33 governor's monitoring forum, the office of financial management, and
34 the appropriate legislative fiscal committees shall be submitted no
35 later than September 1, 2006.

36 NEW SECTION. **Sec. 130. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
37 Administrative Hearings Revolving Account--State

1 Appropriation \$28,870,000

2 The appropriation in this section is subject to the following
3 conditions and limitations: \$103,000 of the administrative hearing
4 revolving account--state appropriation is provided solely to determine,
5 in collaboration with other state agencies, the best mechanism of
6 digital recording for the office of administrative hearings, the manner
7 of conversion from tape recording to digital recording, and the
8 purchase of digital recording devices.

9 NEW SECTION. **Sec. 131. FOR THE DEPARTMENT OF PERSONNEL**

10 Department of Personnel Service Account--State

11 Appropriation \$19,858,000

12 Higher Education Personnel Services Account--State

13 Appropriation \$1,610,000

14 TOTAL APPROPRIATION \$21,468,000

15 The appropriations in this section are subject to the following
16 conditions and limitations: The department shall coordinate with the
17 governor's office of Indian affairs on providing the government-to-
18 government training sessions for federal, state, local, and tribal
19 government employees. The training sessions shall cover tribal
20 historical perspectives, legal issues, tribal sovereignty, and tribal
21 governments. Costs of the training sessions shall be recouped through
22 a fee charged to the participants of each session. The department
23 shall be responsible for all of the administrative aspects of the
24 training, including the billing and collection of the fees for the
25 training.

26 NEW SECTION. **Sec. 132. FOR THE WASHINGTON STATE LOTTERY**

27 Lottery Administrative Account--State Appropriation . . . \$23,343,000

28 NEW SECTION. **Sec. 133. FOR THE COMMISSION ON HISPANIC AFFAIRS**

29 General Fund--State Appropriation (FY 2006) \$296,000

30 General Fund--State Appropriation (FY 2007) \$308,000

31 TOTAL APPROPRIATION \$604,000

32 NEW SECTION. **Sec. 134. FOR THE COMMISSION ON AFRICAN-AMERICAN**
33 **AFFAIRS**

34 General Fund--State Appropriation (FY 2006) \$301,000

1 General Fund--State Appropriation (FY 2007) \$295,000
 2 TOTAL APPROPRIATION \$596,000

3 NEW SECTION. **Sec. 135. FOR THE PERSONNEL APPEALS BOARD**

4 Department of Personnel Service Account--State
 5 Appropriation \$1,006,000

6 NEW SECTION. **Sec. 136. FOR THE DEPARTMENT OF RETIREMENT**
 7 **SYSTEMS--OPERATIONS**

8 Dependent Care Administrative Account--State
 9 Appropriation \$404,000

10 Department of Retirement Systems Expense Account--
 11 State Appropriation \$43,806,000
 12 TOTAL APPROPRIATION \$44,210,000

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

15 (1) \$13,000 of the department of retirement systems expense account
 16 appropriation is provided solely to implement House Bill No. 1327
 17 (purchasing service credit). If the bill is not enacted by June 30,
 18 2005, the amount provided in this subsection shall lapse.

19 (2) \$10,000 of the department of retirement systems expense account
 20 appropriation is provided solely to implement House Bill No. 1269 (law
 21 enforcement officers' and fire fighters' retirement system plan 2
 22 service credit purchase). If the bill is not enacted by June 30, 2005,
 23 the amounts provided in this subsection shall lapse.

24 (3) \$32,000 of the department of retirement systems expense account
 25 appropriation is provided solely to implement House Bill No. 1270 (law
 26 enforcement officers' and fire fighters' retirement system plan 2
 27 postretirement employment). If the bill is not enacted by June 30,
 28 2005, the amounts provided in this subsection shall lapse.

29 (4) \$26,000 of the department of retirement systems expense account
 30 appropriation is provided solely to implement House Bill No. 1319 (law
 31 enforcement officers' and fire fighters' retirement system plan 1 ex-
 32 spouse benefits). If the bill is not enacted by June 30, 2005, the
 33 amounts provided in this subsection shall lapse.

34 (5) \$46,000 of the department of retirement systems expense account
 35 appropriation is provided solely to implement House Bill No. 1325

1 (military service credit purchase). If the bill is not enacted by June
2 30, 2005, the amounts provided in this subsection shall lapse.

3 (6) \$99,000 of the department of retirement systems expense account
4 appropriation is provided solely to implement House Bill No. 1326
5 (postretirement employment). If the bill is not enacted by June 30,
6 2005, the amounts provided in this subsection shall lapse.

7 (7) \$79,000 of the department of retirement systems expense account
8 appropriation is provided solely to implement House Bill No. 1329 (law
9 enforcement officers' and fire fighters' retirement system plan 1
10 reduced survivor benefit). If the bill is not enacted by June 30,
11 2005, the amounts provided in this subsection shall lapse.

12 (8) \$56,000 of the department of retirement systems expense account
13 appropriation is provided solely to implement House Bill No. 1936
14 (emergency medical technician membership in law enforcement officers'
15 and fire fighters' retirement system plan 2 service). If the bill is
16 not enacted by June 30, 2005, the amounts provided in this subsection
17 shall lapse.

18 NEW SECTION. **Sec. 137. FOR THE STATE INVESTMENT BOARD**

19 State Investment Board Expense Account--State
20 Appropriation \$15,725,000

21 NEW SECTION. **Sec. 138. FOR THE DEPARTMENT OF REVENUE**

22 General Fund--State Appropriation (FY 2006) \$87,131,000
23 General Fund--State Appropriation (FY 2007) \$86,327,000
24 Timber Tax Distribution Account--State Appropriation . . . \$5,446,000
25 Waste Reduction/Recycling/Litter Control--State
26 Appropriation \$104,000
27 State Toxics Control Account--State Appropriation \$69,000
28 Oil Spill Prevention Account--State Appropriation \$14,000
29 TOTAL APPROPRIATION \$179,091,000

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

32 (1) \$135,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$119,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for the implementation of House
35 Bill No. 1096 (tax expenditure reports). If House Bill No. 1096 is not

1 enacted by June 30, 2005, the amounts provided in this subsection shall
2 lapse.

3 (2) \$11,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$11,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for the implementation of
6 Engrossed Second Substitute House Bill No. 2163 (homeless housing
7 program). If Engrossed Second Substitute House Bill No. 2163 is not
8 enacted by June 30, 2005, the amounts provided in this subsection shall
9 lapse.

10 NEW SECTION. **Sec. 139. FOR THE BOARD OF TAX APPEALS**

| | | |
|----|---|-------------|
| 11 | General Fund--State Appropriation (FY 2006) | \$1,350,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$1,182,000 |
| 13 | TOTAL APPROPRIATION | \$2,532,000 |

14 NEW SECTION. **Sec. 140. FOR THE MUNICIPAL RESEARCH COUNCIL**

| | | |
|----|---|-------------|
| 15 | County Research Services Account--State Appropriation | \$787,000 |
| 16 | City and Town Research Services Account--State | |
| 17 | Appropriation | \$4,134,000 |
| 18 | TOTAL APPROPRIATION | \$4,921,000 |

19 NEW SECTION. **Sec. 141. FOR THE OFFICE OF MINORITY AND WOMEN'S**
20 **BUSINESS ENTERPRISES**

| | | |
|----|--|-------------|
| 21 | OMWBE Enterprises Account--State Appropriation | \$3,094,000 |
|----|--|-------------|

22 The appropriation in this section is subject to the following
23 conditions and limitations: \$180,000 of the OMWBE enterprises account
24 appropriation is provided solely for management of private sector
25 grants and coordination of support services to small businesses in the
26 state. It is the intent of the legislature that this amount be funded
27 from new grant revenues and business fees.

28 NEW SECTION. **Sec. 142. FOR THE DEPARTMENT OF GENERAL**
29 **ADMINISTRATION**

| | | |
|----|---|--------------|
| 30 | General Fund--State Appropriation (FY 2006) | \$318,000 |
| 31 | General Fund--State Appropriation (FY 2007) | \$228,000 |
| 32 | General Fund--Federal Appropriation | \$3,634,000 |
| 33 | General Administration Service Account--State | |
| 34 | Appropriation | \$30,559,000 |

1 TOTAL APPROPRIATION \$34,739,000

2 The appropriations in this section are subject to the following
3 conditions and limitations: \$75,000 of the general fund--state
4 appropriation for fiscal year 2006 is provided solely for the
5 implementation of House Bill No. 1830 (alternative public works). If
6 Engrossed Substitute House Bill No. 1830 is not enacted by June 30,
7 2005, the amount provided in this subsection shall lapse.

8 NEW SECTION. **Sec. 143. FOR THE DEPARTMENT OF INFORMATION**
9 **SERVICES**

10 Data Processing Revolving Account--State
11 Appropriation \$3,552,000
12 Public Safety and Education Account--State
13 Appropriation \$684,000
14 TOTAL APPROPRIATION \$4,236,000

15 NEW SECTION. **Sec. 144. FOR THE INSURANCE COMMISSIONER**

16 General Fund--Federal Appropriation \$655,000
17 Insurance Commissioners Regulatory Account--State
18 Appropriation \$39,304,000
19 TOTAL APPROPRIATION \$39,959,000

20 NEW SECTION. **Sec. 145. FOR THE BOARD OF ACCOUNTANCY**

21 Certified Public Accountants' Account--State
22 Appropriation \$1,931,000

23 NEW SECTION. **Sec. 146. FOR THE FORENSIC INVESTIGATION COUNCIL**

24 Death Investigations Account--State Appropriation \$282,000

25 The appropriation in this section is subject to the following
26 conditions and limitations: \$250,000 of the death investigation
27 account appropriation is provided solely for providing financial
28 assistance to local jurisdictions in multiple death investigations.
29 The forensic investigation council shall develop criteria for awarding
30 these funds for multiple death investigations involving an
31 unanticipated, extraordinary, and catastrophic event or those involving
32 multiple jurisdictions.

1 NEW SECTION. **Sec. 147. FOR THE HORSE RACING COMMISSION**

2 Horse Racing Commission Operating Account--State
3 Appropriation \$4,878,000

4 NEW SECTION. **Sec. 148. FOR THE LIQUOR CONTROL BOARD**

5 General Fund--State Appropriation (FY 2006) \$1,528,000
6 General Fund--State Appropriation (FY 2007) \$1,521,000
7 Liquor Control Board Construction and Maintenance
8 Account--State Appropriation \$12,832,000
9 Liquor Revolving Account--State Appropriation \$149,624,000
10 TOTAL APPROPRIATION \$165,505,000

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

13 (1) As authorized under RCW 66.16.010, the liquor control board
14 shall add an equivalent surcharge of \$0.42 per liter on all retail
15 sales of spirits, excluding licensee, military and tribal sales,
16 effective no later than July 1, 2005. The intent of this surcharge is
17 to generate additional revenues for the state general fund in the
18 2005-07 biennium.

19 (2) \$154,000 of the liquor revolving account--state appropriation
20 is provided solely for the lease of state vehicles from the department
21 of general administration's motor pool.

22 (3) \$2,228,000 of the liquor revolving account--state appropriation
23 is provided solely for costs associated with the installation of a wide
24 area network that connects all of the state liquor stores and the
25 liquor control board headquarters.

26 (4) \$2,261,000 of the liquor revolving account--state appropriation
27 is provided solely for replacement of essential computer equipment,
28 improvement of security measures, and improvement to the core
29 information technology infrastructure.

30 (5) \$2,800,000 of the liquor control board construction and
31 maintenance account--state appropriation is provided solely for the
32 certificate of participation to fund the expansion of the liquor
33 distribution center.

34 (6) \$3,233,000 of the liquor revolving account--state appropriation
35 is provided solely for upgrades to material handling system and
36 warehouse management system software and equipment, and associated
37 staff to increase the liquor distribution center's shipping capacity.

1 (7) \$2,746,000 of the liquor revolving account--state appropriation
 2 is provided solely for additional state liquor store and retail
 3 business analysis staff. The additional liquor store staff will be
 4 deployed to those stores with the greatest potential for increased
 5 customer satisfaction and revenue growth. The liquor control board,
 6 using the new retail business analysis staff and, if needed, an
 7 independent consultant, will analyze the impact of additional staff on
 8 customer satisfaction and revenue growth and make recommendations that
 9 will increase the effectiveness and efficiency of all the liquor
 10 control board's retail-related activities. Using best practices and
 11 benchmarks from comparable retail organizations, the analysis will
 12 evaluate and make recommendations, at a minimum, on the following
 13 issues: Optimal staffing levels and store locations and numbers of
 14 stores (both state liquor stores and contract liquor stores); options
 15 for an improved retail organizational structure; strategies to increase
 16 the retail decision-making capacity; and resources required for
 17 enhanced internal organizational support of the retail activities. In
 18 support of this evaluation, a survey shall be employed to gauge
 19 customer satisfaction with state and contract liquor store services.
 20 A written evaluation with recommendations shall be submitted to the
 21 governor and the legislative fiscal committees by October 1, 2006.

22 (8) \$715,000 of the liquor revolving account--state appropriation
 23 for fiscal year 2006 and \$720,000 of the liquor revolving account--
 24 state appropriation for fiscal year 2007 are provided solely for the
 25 implementation of House Bill No. 1379 (liquor retail business plan).
 26 If House Bill No. 1379 is not enacted by June 30, 2005, the amounts
 27 provided in this subsection shall lapse.

28 NEW SECTION. **Sec. 149. FOR THE UTILITIES AND TRANSPORTATION**
 29 **COMMISSION**

| | | |
|----|---|--------------|
| 30 | Public Service Revolving Account--State Appropriation . . . | \$27,787,000 |
| 31 | Pipeline Safety Account--State Appropriation | \$2,827,000 |
| 32 | Pipeline Safety Account--Federal Appropriation | \$1,476,000 |
| 33 | TOTAL APPROPRIATION | \$32,090,000 |

34 NEW SECTION. **Sec. 150. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

| | | |
|----|---|-----------|
| 35 | Volunteer Firefighters' and Reserve Officers' | |
| 36 | Administrative Account--State Appropriation | \$750,000 |

1 NEW SECTION. **Sec. 151. FOR THE MILITARY DEPARTMENT**

| | | |
|----|---|---------------|
| 2 | General Fund--State Appropriation (FY 2006) | \$9,071,000 |
| 3 | General Fund--State Appropriation (FY 2007) | \$9,024,000 |
| 4 | General Fund--Federal Appropriation | \$165,137,000 |
| 5 | Enhanced 911 Account--State Appropriation | \$34,705,000 |
| 6 | Disaster Response Account--State Appropriation | \$2,277,000 |
| 7 | Disaster Response Account--Federal Appropriation | \$11,008,000 |
| 8 | Worker and Community Right-to-Know Account--State | |
| 9 | Appropriation | \$302,000 |
| 10 | Nisqually Earthquake Account--State Appropriation | \$6,687,000 |
| 11 | Nisqually Earthquake Account--Federal Appropriation | \$29,052,000 |
| 12 | Military Department Rental and Lease Account--State | |
| 13 | Appropriation | \$378,000 |
| 14 | TOTAL APPROPRIATION | \$267,641,000 |

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

17 (1) \$2,277,000 of the disaster response account--state
18 appropriation and \$11,008,000 of the disaster response account--federal
19 appropriation may be spent only on disasters declared by the governor
20 and with the approval of the office of financial management. The
21 military department shall submit a report quarterly to the office of
22 financial management and the legislative fiscal committees detailing
23 information on the disaster response account, including: (a) The
24 amount and type of deposits into the account; (b) the current available
25 fund balance as of the reporting date; and (c) the projected fund
26 balance at the end of the 2005-07 biennium based on current revenue and
27 expenditure patterns.

28 (2) \$6,687,000 of the Nisqually earthquake account--state
29 appropriation and \$29,052,000 of the Nisqually earthquake account--
30 federal appropriation are provided solely for response and recovery
31 costs associated with the February 28, 2001, earthquake. The military
32 department shall submit a report quarterly to the office of financial
33 management and the legislative fiscal committees detailing earthquake
34 recovery costs, including: (a) Estimates of total costs; (b)
35 incremental changes from the previous estimate; (c) actual
36 expenditures; (d) estimates of total remaining costs to be paid; and
37 (e) estimates of future payments by biennium. This information shall
38 be displayed by fund, by type of assistance, and by amount paid on

1 behalf of state agencies or local organizations. The military
2 department shall also submit a report quarterly to the office of
3 financial management and the legislative fiscal committees detailing
4 information on the Nisqually earthquake account, including: (a) The
5 amount and type of deposits into the account; (b) the current available
6 fund balance as of the reporting date; and (c) the projected fund
7 balance at the end of the 2005-07 biennium based on current revenue and
8 expenditure patterns.

9 (3) \$127,586,000 of the general fund--federal appropriation is
10 provided solely for homeland security, subject to the following
11 conditions:

12 (a) Any communications equipment purchased by local jurisdictions
13 or state agencies shall be consistent with standards set by the
14 Washington state interoperability executive committee;

15 (b) This amount shall not be allotted until a spending plan is
16 reviewed by the governor's domestic security advisory group and
17 approved by the office of financial management;

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

26 (d) The department shall submit a report by December 1st of each
27 year to the office of financial management and the legislative fiscal
28 committees detailing homeland security revenues and expenditures for
29 the previous fiscal year by county and legislative district.

30 (4) \$31,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$31,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the implementation of House
33 Bill No. 1850 (volunteer medical worker). If House Bill No. 1850 is
34 not enacted by June 30, 2005, the amounts provided in this subsection
35 shall lapse.

36 (5) \$216,000 of the general fund--state appropriation for fiscal
37 year 2006 and \$216,000 of the general fund--state appropriation for
38 fiscal year 2007 are provided solely for the implementation of House

1 Bill No. 1343 (National Guard life insurance). If House Bill No. 1343
2 is not enacted by June 30, 2005, the amounts provided in this
3 subsection shall lapse.

4 (6) No funds from sources other than fees from voice over internet
5 protocol (VOIP) providers may be used to integrate VOIP 911 with E-911.
6 Instead, any funds used for the purpose of integrating VOIP 911 with E-
7 911 shall be collected from an appropriate fee charged to VOIP
8 providers.

9 NEW SECTION. **Sec. 152. FOR THE PUBLIC EMPLOYMENT RELATIONS**
10 **COMMISSION**

| | | |
|----|---|-------------|
| 11 | General Fund--State Appropriation (FY 2006) | \$2,572,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$2,574,000 |
| 13 | Department of Personnel Service Account--State | |
| 14 | Appropriation | \$2,704,000 |
| 15 | TOTAL APPROPRIATION | \$7,850,000 |

16 NEW SECTION. **Sec. 153. FOR THE GROWTH PLANNING HEARINGS BOARD**

| | | |
|----|---|-------------|
| 17 | General Fund--State Appropriation (FY 2006) | \$1,567,000 |
| 18 | General Fund--State Appropriation (FY 2007) | \$1,559,000 |
| 19 | TOTAL APPROPRIATION | \$3,126,000 |

20 The appropriations in this section are subject to the following
21 conditions and limitations: \$9,000 of the general fund--state
22 appropriation for fiscal year 2006 and \$9,000 of the general fund--
23 state appropriation for fiscal year 2007 are provided solely for the
24 Western Board to relocate. If the Western Board does not relocate by
25 June 30, 2006, the amounts provided in this subsection shall lapse.

26 NEW SECTION. **Sec. 154. FOR THE STATE CONVENTION AND TRADE CENTER**

| | | |
|----|--|--------------|
| 27 | State Convention and Trade Center Account--State | |
| 28 | Appropriation | \$30,512,000 |
| 29 | State Convention and Trade Center Operating | |
| 30 | Account--State Appropriation | \$45,983,000 |
| 31 | TOTAL APPROPRIATION | \$76,495,000 |

(End of part)

PART II
HUMAN SERVICES

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

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

(3) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage Medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP) the department may combine and transfer such Medicaid funds appropriated under sections 204, 206, 208, and 209 of this act as may be necessary to finance a unified health care plan for the WMIP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons during the 2005-2007 biennium. The amount

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

16 (4) In accordance with RCW 74.39A.300, the appropriations to the
 17 department of social and health services in this act are sufficient to
 18 implement the compensation and fringe benefits of the collective
 19 bargaining agreement reached between the governor and the exclusive
 20 bargaining representative of individual providers of home care
 21 services.

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

| | | |
|----|--|---------------|
| 24 | General Fund--State Appropriation (FY 2006) | \$249,100,000 |
| 25 | General Fund--State Appropriation (FY 2007) | \$260,089,000 |
| 26 | General Fund--Federal Appropriation | \$423,111,000 |
| 27 | General Fund--Private/Local Appropriation | \$400,000 |
| 28 | Public Safety and Education Account--State | |
| 29 | Appropriation | \$12,461,000 |
| 30 | Violence Reduction and Drug Enforcement Account--State | |
| 31 | Appropriation | \$1,510,000 |
| 32 | TOTAL APPROPRIATION | \$946,671,000 |

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

35 (1) \$375,000 of the general fund--state fiscal year 2006
 36 appropriation, \$375,000 of the general fund--state fiscal year 2007
 37 appropriation, and \$322,000 of the general fund--federal appropriation

1 are provided for up to three nonfacility-based programs for the
2 training, consultation, support, and recruitment of biological, foster,
3 and adoptive parents of children through age three in need of special
4 care as a result of substance abuse by their mothers, except that each
5 program may serve up to three medically fragile nonsubstance-abuse-
6 affected children. In selecting nonfacility-based programs, preference
7 shall be given to programs whose federal or private funding sources
8 have expired or that have successfully performed under the existing
9 pediatric interim care program.

10 (2) \$125,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$125,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for a foster parent retention
13 program. This program is directed at foster parents caring for
14 children who act out sexually.

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

18 (4) Within amounts provided for the foster care and adoption
19 support programs, the department shall control reimbursement decisions
20 for foster care and adoption support cases such that the aggregate
21 average cost per case for foster care and for adoption support does not
22 exceed the amounts assumed in the projected caseload expenditures. The
23 department shall adjust adoption support benefits to account for the
24 availability of the new federal adoption support tax credit for special
25 needs children. The department shall report annually by October 1st to
26 the appropriate committees of the legislature on the specific efforts
27 taken to contain costs.

28 (5) \$4,135,000 of the general fund--state appropriation for fiscal
29 year 2006, \$5,665,000 of the general fund--state appropriation for
30 fiscal year 2007, and \$3,557,000 of the general fund--federal
31 appropriation are provided solely for reforms to the child protective
32 services and child welfare services programs, including 30-day face-to-
33 face contact for children in out-of-home care, improved timeliness of
34 child protective services investigations, an enhanced in-home child
35 welfare services program, and education specialist services. The
36 department shall report by December 1st of each year on the
37 implementation status of the enhancements, including the hiring of new
38 staff, and the outcomes of the reform efforts. The information

1 provided shall include a progress report on items in the child and
2 family services review program improvement plan and areas identified
3 for improvement in the Brame lawsuit settlement.

4 (6) Within amounts appropriated in this section, priority shall be
5 given to proven intervention models, including evidence-based
6 prevention and early intervention programs identified by the Washington
7 institute for public policy and the department. The department shall
8 include information on the number, type, and outcomes of the evidence-
9 based programs being implemented in its reports on child welfare reform
10 efforts.

11 (7) \$5,282,000 of the general fund--state appropriation for fiscal
12 year 2007 and \$3,521,000 of the general fund--federal appropriation are
13 provided solely for the design, development, and initial implementation
14 of a new automated child welfare information system to replace the
15 existing case and management information system.

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

| | | |
|----|--|---------------|
| 18 | General Fund--State Appropriation (FY 2006) | \$75,899,000 |
| 19 | General Fund--State Appropriation (FY 2007) | \$76,215,000 |
| 20 | General Fund--Federal Appropriation | \$5,879,000 |
| 21 | General Fund--Private/Local Appropriation | \$1,098,000 |
| 22 | Violence Reduction and Drug Enforcement Account--State | |
| 23 | Appropriation | \$37,967,000 |
| 24 | Juvenile Accountability Incentive Account--Federal | |
| 25 | Appropriation | \$5,528,000 |
| 26 | Reinvesting in Youth Account--State | |
| 27 | Appropriation | \$997,000 |
| 28 | TOTAL APPROPRIATION | \$203,583,000 |

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

31 (1) \$706,000 of the violence reduction and drug enforcement account
32 appropriation is provided solely for deposit in the county criminal
33 justice assistance account for costs to the criminal justice system
34 associated with the implementation of chapter 338, Laws of 1997
35 (juvenile code revisions). The amounts provided in this subsection are
36 intended to provide funding for county adult court costs associated

1 with the implementation of chapter 338, Laws of 1997 and shall be
2 distributed in accordance with RCW 82.14.310.

3 (2) \$6,156,000 of the violence reduction and drug enforcement
4 account appropriation is provided solely for the implementation of
5 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
6 provided in this subsection are intended to provide funding for county
7 impacts associated with the implementation of chapter 338, Laws of 1997
8 and shall be distributed to counties as prescribed in the current
9 consolidated juvenile services (CJS) formula.

10 (3) \$1,186,000 of the general fund--state appropriation for fiscal
11 year 2006, \$1,197,000 of the general fund--state appropriation for
12 fiscal year 2007, and \$5,208,000 of the violence reduction and drug
13 enforcement account appropriation are provided solely to implement
14 community juvenile accountability grants pursuant to chapter 338, Laws
15 of 1997 (juvenile code revisions). Funds provided in this subsection
16 may be used solely for community juvenile accountability grants,
17 administration of the grants, and evaluations of programs funded by the
18 grants.

19 (4) \$2,518,000 of the violence reduction and drug enforcement
20 account appropriation is provided solely to implement alcohol and
21 substance abuse treatment programs for locally committed offenders.
22 The juvenile rehabilitation administration shall award these moneys on
23 a competitive basis to counties that submitted a plan for the provision
24 of services approved by the division of alcohol and substance abuse.
25 The juvenile rehabilitation administration shall develop criteria for
26 evaluation of plans submitted and a timeline for awarding funding and
27 shall assist counties in creating and submitting plans for evaluation.

28 (5) For the purposes of a pilot project, the juvenile
29 rehabilitation administration shall provide a block grant, rather than
30 categorical funding, for consolidated juvenile services, community
31 juvenile accountability act grants, the chemically dependent
32 disposition alternative, and the special sex offender disposition
33 alternative to the Pierce county juvenile court. To evaluate the
34 effect of decategorizing funding for youth services, the juvenile court
35 shall do the following:

36 (a) Develop intermediate client outcomes according to the risk
37 assessment tool (RAT) currently used by juvenile courts and in
38 coordination with the juvenile rehabilitation administration;

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

4 (c) Track similar data as in (b) of this subsection with an
5 appropriate comparison group, selected in coordination with the
6 juvenile rehabilitation administration and the family policy council;

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

10 (e) Provide a process evaluation to the juvenile rehabilitation
11 administration and the family policy council by June 20, 2006, and a
12 concluding report by June 30, 2007. The court shall develop this
13 evaluation in consultation with the juvenile rehabilitation
14 administration, the family policy council, and the Washington state
15 institute for public policy.

16 (6) \$997,000 of the reinvesting in youth account--state
17 appropriation is provided solely for the implementation of Second
18 Substitute House Bill No. 1483 (investing in youth program). If the
19 bill is not enacted by June 30, 2005, the amount provided in this
20 subsection shall lapse.

21 (7) \$16,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$16,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely for the implementation of chapter
24 167, Laws of 1999 (firearms on school property). The amounts provided
25 in this subsection are intended to provide funding for county impacts
26 associated with the implementation of chapter 167, Laws of 1999, and
27 shall be distributed to counties as prescribed in the current
28 consolidated juvenile services (CJS) formula.

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

31 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

| | | |
|----|---|---------------|
| 32 | General Fund--State Appropriation (FY 2006) | \$254,899,000 |
| 33 | General Fund--State Appropriation (FY 2007) | \$260,942,000 |
| 34 | General Fund--Federal Appropriation | \$331,584,000 |
| 35 | General Fund--Private/Local Appropriation | \$1,970,000 |
| 36 | TOTAL APPROPRIATION | \$849,395,000 |

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

3 (a) From the general fund--state appropriations in this subsection,
4 the secretary of social and health services shall assure that regional
5 support networks reimburse the aging and disability services
6 administration for the general fund--state cost of medicaid personal
7 care services that enrolled regional support network consumers use
8 because of their psychiatric disability.

9 (b) Within amounts appropriated in this subsection, the department
10 shall contract with the Clark county regional support network for
11 development and operation of a project demonstrating collaborative
12 methods for providing intensive mental health services in the school
13 setting for severely emotionally disturbed children who are medicaid
14 eligible. Project services shall be delivered by teachers and teaching
15 assistants who qualify as, or who are under the supervision of, mental
16 health professionals meeting the requirements of chapter 275-57 WAC.
17 The department shall increase medicaid payments to the regional support
18 network by the amount necessary to cover the necessary and allowable
19 costs of the demonstration, not to exceed the upper payment limit
20 specified for the regional support network in the department's medicaid
21 waiver agreement with the federal government after meeting all other
22 medicaid spending requirements assumed in this subsection. The
23 regional support network shall provide the required nonfederal share of
24 the increased medicaid payment provided for operation of this project.

25 (c) \$3,100,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$3,375,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely to establish a base community
28 psychiatric hospitalization payment rate. The base payment rate shall
29 be \$400 per indigent patient day at hospitals that accept commitments
30 under the involuntary treatment act, and \$550 per medicaid patient day
31 at free-standing psychiatric hospitals that accept commitments under
32 the involuntary treatment act. The department shall allocate these
33 funds among the regional support networks to reflect projected
34 expenditures at the enhanced payment level by hospital and region.

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

1 (e) \$2,146,000 of the general fund--state appropriation for fiscal
2 year 2006, \$4,408,000 of the general fund--state appropriation for
3 fiscal year 2007, and \$4,559,000 of the general fund--federal
4 appropriation are provided solely for a vendor rate increase to
5 regional support networks for medicaid and nonmedicaid services, to the
6 extent that: Amounts provided in this subsection (1) to serve medicaid
7 clients through regional support networks are sufficient to ensure
8 compliance with federally approved actuarially sound medicaid rate
9 ranges in every rate category. If such amounts are not sufficient to
10 ensure compliance, funds provided in this subsection (1)(e) shall first
11 be applied to address any noncompliant rate category; remaining amounts
12 shall be allocated among the regional support networks by applying a
13 uniform percentage of increase across regional support networks.

14 (f) \$104,500,000 of the general fund--state appropriation for
15 fiscal year 2006 and \$104,500,000 of the general fund--state
16 appropriation for fiscal year 2007 are provided solely for persons and
17 services not covered by the medicaid program, contingent upon the
18 enactment of House Bill No. 1290 (community mental health). If the
19 bill is not enacted by June 30, 2005, the amounts provided in this
20 subsection shall lapse. Of these amounts:

21 (i) \$ 7,500,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$7,500,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely for mental health services for
24 mentally ill offenders while confined in a county or city jail, and for
25 access to programs that offer mental health services upon mentally ill
26 offenders' release from confinement. These amounts shall supplement,
27 and not supplant, local or other funding or in-kind resources currently
28 being used for these purposes.

29 (ii) \$2,500,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$2,500,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely for grants for innovative mental
32 health service delivery projects. Such projects may include, but are
33 not limited to, clubhouse programs and projects for integrated health
34 care and behavioral health services for general assistance recipients.
35 These amounts shall supplement, and not supplant, local or other
36 funding currently being used for activities funded under the projects
37 authorized in this subsection.

1 (iii) \$550,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$150,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for a pilot project to provide
4 integrated care through a long-term rehabilitation facility that
5 specializes in caring for people with chronic mental illness.

6 (iv) Consistent with RCW 71.24.035(13), the department shall
7 distribute the remaining amounts among the regional support networks as
8 follows:

9 (A) The department shall determine the level of spending in each
10 regional support network for the fiscal year 2003 and fiscal year 2004
11 for services in institutes for mental disease and community inpatient
12 hospital, intensive residential, and other licensed residential
13 facilities. Funds shall be distributed in a manner that assures
14 continuation of previous levels of these services in each regional
15 support network area; and

16 (B) Funds remaining following the distribution in (f)(iv)(A) of
17 this subsection shall be distributed based upon a formula that
18 incorporates each regional support network's percentage of the state's
19 population.

20 (v) To ensure that a consistent level of services are available to
21 nonmedicaid clients across regional support networks, the department
22 and the regional support networks shall utilize medicaid access to care
23 standards for the nonmedicaid client population beginning November 1,
24 2005.

25 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|---------------|
| 26 | General Fund--State Appropriation (FY 2006) | \$99,819,000 |
| 27 | General Fund--State Appropriation (FY 2007) | \$99,459,000 |
| 28 | General Fund--Federal Appropriation | \$148,250,000 |
| 29 | General Fund--Private/Local Appropriation | \$29,850,000 |
| 30 | TOTAL APPROPRIATION | \$377,378,000 |

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

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

36 (b) \$3,541,000 of the general fund--state appropriation for fiscal
37 year 2006 and \$3,410,000 of the general fund--state appropriation for
38 fiscal year 2007 are provided solely to operate at least one more

1 forensic ward at western state hospital than was operational in
2 December 2004, and to employ professional staff in addition to those
3 assigned in December 2004 to conduct outpatient evaluations of
4 competency to stand trial.

5 (c) \$45,000 of the general fund--state appropriation for fiscal
6 year 2006 and \$45,000 of the general fund--state appropriation for
7 fiscal year 2007 are provided solely for payment to the city of
8 Lakewood on September 1 of each year for police services provided by
9 the city at western state hospital and adjacent areas.

10 (3) CIVIL COMMITMENT

| | | |
|----|---|--------------|
| 11 | General Fund--State Appropriation (FY 2006) | \$42,791,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$45,269,000 |
| 13 | TOTAL APPROPRIATION | \$88,060,000 |

14 (4) SPECIAL PROJECTS

| | | |
|----|---|-------------|
| 15 | General Fund--State Appropriation (FY 2006) | \$464,000 |
| 16 | General Fund--State Appropriation (FY 2007) | \$769,000 |
| 17 | General Fund--Federal Appropriation | \$2,865,000 |
| 18 | TOTAL APPROPRIATION | \$4,098,000 |

19 The appropriations in this subsection are subject to the following
20 conditions and limitations: \$75,000 of the general fund--state
21 appropriation for fiscal year 2006, \$75,000 of the general fund--state
22 appropriation for fiscal year 2007, and \$40,000 of the general fund--
23 federal appropriation are provided solely to implement the request for
24 proposal process required by House Bill No. 1290 (community mental
25 health). If House Bill No. 1290 is not enacted by June 30, 2005, these
26 amounts shall lapse.

27 (5) PROGRAM SUPPORT

| | | |
|----|---|--------------|
| 28 | General Fund--State Appropriation (FY 2006) | \$3,553,000 |
| 29 | General Fund--State Appropriation (FY 2007) | \$3,431,000 |
| 30 | General Fund--Federal Appropriation | \$6,529,000 |
| 31 | TOTAL APPROPRIATION | \$13,513,000 |

32 The appropriations in this subsection are subject to the following
33 conditions and limitations: \$125,000 of the general fund--state
34 appropriation for fiscal year 2006, \$125,000 of the general fund--state
35 appropriation for fiscal year 2007, and \$164,000 of the general fund--
36 federal appropriation are provided solely for the institute for public
37 policy to continue the longitudinal analysis directed in chapter 334,

1 Laws of 2001 (mental health performance audit), and, to the extent
2 funds are available within these amounts, to build upon the evaluation
3 of the impacts of chapter 214, Laws of 1999 (mentally ill offenders).

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

6 (1) COMMUNITY SERVICES

| | |
|---|-----------------|
| 7 General Fund--State Appropriation (FY 2006) | \$298,786,000 |
| 8 General Fund--State Appropriation (FY 2007) | \$311,505,000 |
| 9 General Fund--Federal Appropriation | \$504,612,000 |
| 10 Health Services Account--State Appropriation | \$904,000 |
| 11 TOTAL APPROPRIATION | \$1,115,807,000 |

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

14 (a) \$213,000 of the general fund--state appropriation for fiscal
15 year 2006, \$422,000 of the general fund--state appropriation for fiscal
16 year 2007, and \$600,000 of the general fund--federal appropriation are
17 provided solely to increase compensation for direct care workers
18 employed by home care agencies by 27 cents per hour on July 1, 2005,
19 and by an additional 23 cents per hour on July 1, 2006. The amounts in
20 this subsection also include the funds needed for the employer share of
21 unemployment and social security taxes on the amount of the increase.

22 (b) The entire health services account appropriation and \$904,000
23 of the general fund--federal appropriation are provided solely for
24 health care benefits for agency home care workers who are employed
25 through state contracts for at least twenty hours a week.

26 (i) For the period of July 1, 2005, through December 31, 2005, home
27 care agencies may obtain coverage either through the basic health plan
28 or through an alternative plan that provides substantially equivalent
29 benefits.

30 (ii) The department, in consultation with the health care
31 authority, shall establish a health benefits purchasing cooperative for
32 agency home care workers. The health benefits offered through the
33 cooperative shall provide substantially equivalent benefits to the 2003
34 basic health plan benefits package. The cooperative shall offer
35 coverage beginning January 1, 2006.

36 (iii) Beginning January 1, 2006, home care agencies must obtain
37 coverage either through the basic health plan, the health benefits

1 purchasing cooperative established in (b)(ii) of this subsection, or
2 the Taft Hartley trust established in accordance with the collective
3 bargaining agreement for individual providers of home care services.

4 (c) Individuals receiving family support or high school transition
5 payments as supplemental security income (SSI) state supplemental
6 payments shall not become eligible for medical assistance under RCW
7 74.09.510 due solely to the receipt of SSI state supplemental payments.

8 (d) \$712,000 of the general fund--state appropriation for fiscal
9 year 2006, \$1,955,000 of the general fund--state appropriation for
10 fiscal year 2007, and \$2,667,000 of the general fund--federal
11 appropriation are provided solely for community residential and support
12 services. Funding in this subsection shall be prioritized for (i)
13 residents of residential habilitation centers who are able to be
14 adequately cared for in community settings and who choose to live in
15 those community settings; (ii) clients without residential services who
16 are at immediate risk of institutionalization or in crisis; (iii)
17 children who are aging out of other state services; (iv) children who
18 require an out-of-home placement because of the intense level of
19 support required to care for them in the home; and (v) current home and
20 community-based waiver program clients who have been assessed as having
21 an immediate need for increased services. The department shall ensure
22 that the average cost per day for all program services other than
23 start-up costs shall not exceed \$300. In order to maximize the number
24 of clients served and ensure the cost-effectiveness of the waiver
25 programs, the department will strive to limit new client placement
26 expenditures to 90 percent of the budgeted daily rate. If this can be
27 accomplished, additional clients may be served with excess funds
28 provided the total projected carry-forward expenditures do not exceed
29 the amounts estimated. The department shall electronically report to
30 the appropriate committees of the legislature, within 45 days following
31 each fiscal year quarter, the number of persons served with these
32 additional community services, where they were residing, what kinds of
33 services they were receiving prior to placement, and the actual
34 expenditures for all community services to support these clients.

35 (e) \$579,000 of the general fund--state appropriation for fiscal
36 year 2006, \$1,531,000 of the general fund--state appropriation for
37 fiscal year 2007, and \$2,110,000 of the general fund--federal
38 appropriation are provided solely for expanded community services for

1 persons with developmental disabilities who also have community
2 protection issues. Funding in this subsection shall be prioritized for
3 (i) clients being diverted or discharged from the state psychiatric
4 hospitals; (ii) clients participating in the dangerous mentally ill
5 offender program; (iii) clients participating in the community
6 protection program; and (iv) mental health crisis diversion
7 outplacements. The department shall ensure that the average cost per
8 day for all program services other than start-up costs shall not exceed
9 \$300. In order to maximize the number of clients served and ensure the
10 cost-effectiveness of the waiver programs, the department will strive
11 to limit new client placement expenditures to 90 percent of the
12 budgeted daily rate. If this can be accomplished, additional clients
13 may be served with excess funds if the total projected carry-forward
14 expenditures do not exceed the amounts estimated. The department shall
15 implement the four new waiver programs such that decisions about
16 enrollment levels and the amount, duration, and scope of services
17 maintain expenditures within appropriations. The department shall
18 electronically report to the appropriate committees of the legislature,
19 within 45 days following each fiscal year quarter, the number of
20 persons served with these additional community services, where they
21 were residing, what kinds of services they were receiving prior to
22 placement, and the actual expenditures for all community services to
23 support these clients.

24 (f) \$900,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$2,000,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely for the implementation of a
27 flexible family support pilot program for families who are providing
28 care and support for family members with developmental disabilities.
29 The program shall provide funding for support services such as respite
30 care, training and counseling, assistive technologies, transition
31 services, and assistance with extraordinary household expenses.

32 (i) To receive funding, an individual must: (A) Be eligible for
33 services from the division of developmental disabilities; (B) live with
34 his or her family; (C) not live independently or with a spouse; (D) not
35 receive paid services through the division, including medicaid personal
36 care and medicaid waiver services; and (E) have gross household income
37 of less than or equal to four hundred percent of the federal poverty
38 level.

1 (ii) The department shall determine individual funding awards based
2 on the following criteria: (A) Documented need for services, with
3 priority given to individuals in crisis or at immediate risk of needing
4 institutional services, individuals who transition from high school
5 without employment or day program opportunities, individuals cared for
6 by a single parent, and individuals with multiple disabilities; (B)
7 number and ages of family members and their relation to the individual
8 with developmental disabilities; (C) gross annual household income; and
9 (D) availability of state funds.

10 Funding awards may be made as one-time awards or on a renewable
11 basis. Renewable awards shall be for a period of twelve months for the
12 biennium. Awards shall be based upon the criteria provided in this
13 subsection, but shall be within the following limits: Maximum of
14 \$4,000 per year for an individual whose gross annual household income
15 is up to 100 percent of the federal poverty level; maximum of \$3,000
16 per year for an individual whose gross annual household income is up to
17 200 percent of the federal poverty level; maximum of \$2,000 per year
18 for an individual whose gross annual household income is up to 300
19 percent of the federal poverty level; and maximum of \$1,000 per year
20 for an individual whose gross annual household income is up to 400
21 percent of the federal poverty level. Of the amounts provided in this
22 subsection, \$150,000 of the general fund--state appropriation for
23 fiscal year 2006 and \$300,000 of the general fund--state appropriation
24 for fiscal year 2007 are provided solely for one-time awards.

25 (iii) Eligibility for, and the amount of, renewable awards and one-
26 time awards shall be redetermined annually and shall correspond with
27 the application of the department's mini-assessment tool. At the end
28 of each award period, the department must redetermine eligibility for
29 funding, including increases or reductions in the level of funding, as
30 appropriate.

31 (iv) By November 1, 2006, the department shall provide
32 recommendations to the appropriate policy and fiscal committees of the
33 legislature on strategies for integrating state-funded family support
34 programs, including, if appropriate, the flexible family support pilot
35 program, into a single program. The department shall also provide a
36 status report on the flexible family support pilot program, which shall
37 include the following information: The number of applicants for

1 funding; the total number of awards; the number and amount of both
2 annual and one-time awards, broken down by household income levels; and
3 the purpose of the awards.

4 (v) The department shall manage enrollment and award levels so as
5 to not exceed the amounts appropriated for this purpose.

6 (g) \$840,000 of the general fund--state appropriation for fiscal
7 year 2006, \$1,979,000 of the general fund--state appropriation for
8 fiscal year 2007, and \$1,219,000 of the general fund--federal
9 appropriation are provided solely for employment and day services.
10 Priority consideration for this new funding shall be young adults with
11 developmental disabilities living with their family who need employment
12 opportunities and assistance after high school graduation. Services
13 shall be provided for both waiver and nonwaiver clients.

14 (h) \$1,000,000 of the general fund--state appropriation for fiscal
15 year 2006, \$1,000,000 of the general fund--state appropriation for
16 fiscal year 2007, and \$2,000,000 of the general fund--federal
17 appropriation are provided for implementation of the administrative
18 rate standardization. These amounts are in addition to any vendor rate
19 increase adopted by the legislature.

20 (i) \$100,000 of the general fund--state appropriation for fiscal
21 year 2006 is provided solely for services to community clients provided
22 by licensed professionals at the state residential habilitation
23 centers. The division shall submit claims for reimbursement for
24 services provided to clients living in the community with medical
25 assistance or third-party health coverage, as appropriate, and shall
26 implement a system for billing clients without coverage. The
27 department shall provide a report by December 1, 2006, to the
28 appropriate committees of the legislature on the number of clients
29 served, services provided, and expenditures and revenues associated
30 with those services.

31 (j) \$65,000 of the general fund--state appropriation for fiscal
32 year 2006, \$65,000 of the general fund--state appropriation for fiscal
33 year 2007, and \$130,000 of the general fund--federal appropriation are
34 provided solely for supplemental compensation increases for direct care
35 workers employed by home care agencies in recognition of higher labor
36 market cost pressures experienced by agencies subject to collective
37 bargaining obligations. In order for a specific home care agency to be

1 eligible for such increases, home care agencies shall submit the
2 following to the department:

3 (i) Proof of a legally binding, written commitment to increase the
4 compensation of agency home care workers; and

5 (ii) Proof of the existence of a method of enforcement of the
6 commitment, such as arbitration, that is available to the employees or
7 their representative, and proof that such a method is expeditious, uses
8 a neutral decision maker, and is economical for the employees.

9 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|---------------|
| 10 | General Fund--State Appropriation (FY 2006) | \$73,857,000 |
| 11 | General Fund--State Appropriation (FY 2007) | \$73,780,000 |
| 12 | General Fund--Federal Appropriation | \$146,082,000 |
| 13 | General Fund--Private/Local Appropriation | \$12,000,000 |
| 14 | TOTAL APPROPRIATION | \$305,719,000 |

15 The appropriations in this subsection are subject to the following
16 conditions and limitations: The developmental disabilities program is
17 authorized to use funds appropriated in this section to purchase goods
18 and supplies through direct contracting with vendors when the program
19 determines it is cost-effective to do so.

20 (3) PROGRAM SUPPORT

| | | |
|----|---|-------------|
| 21 | General Fund--State Appropriation (FY 2006) | \$2,398,000 |
| 22 | General Fund--State Appropriation (FY 2007) | \$1,963,000 |
| 23 | General Fund--Federal Appropriation | \$2,931,000 |
| 24 | TOTAL APPROPRIATION | \$7,292,000 |

25 The appropriations in this subsection are subject to the following
26 conditions and limitations: \$578,000 of the general fund--state
27 appropriation for fiscal year 2006 and \$578,000 of the general fund--
28 federal appropriation are provided solely for the purpose of developing
29 and implementing a consistent needs assessment instrument for use on
30 all clients with developmental disabilities. In developing the
31 instrument, the department shall develop a process for collecting data
32 on family income for minor children with developmental disabilities and
33 all individuals who are receiving state-only funded services. The
34 department shall ensure that this information is captured as part of
35 the client assessment process.

36 (4) SPECIAL PROJECTS

| | | |
|----|---|---------|
| 37 | General Fund--State Appropriation (FY 2006) | \$6,000 |
|----|---|---------|

| | | |
|---|---|--------------|
| 1 | General Fund--State Appropriation (FY 2007) | \$2,000 |
| 2 | General Fund--Federal Appropriation | \$16,597,000 |
| 3 | TOTAL APPROPRIATION | \$16,605,000 |

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

| | | |
|----|--|-----------------|
| 6 | General Fund--State Appropriation (FY 2006) | \$605,974,000 |
| 7 | General Fund--State Appropriation (FY 2007) | \$618,528,000 |
| 8 | General Fund--Federal Appropriation | \$1,262,121,000 |
| 9 | General Fund--Private/Local Appropriation | \$18,779,000 |
| 10 | Health Services Account--State Appropriation | \$4,888,000 |
| 11 | TOTAL APPROPRIATION | \$2,510,290,000 |

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

14 (1) The entire health services account appropriation, \$610,000 of
15 the general fund--state appropriation for fiscal year 2006, \$610,000 of
16 the general fund--state appropriation for fiscal year 2007, and
17 \$5,552,000 of the general fund--federal appropriation are provided
18 solely for health care benefits for agency home care workers who are
19 employed through state contracts for at least twenty hours a week.

20 (a) For the period of July 1, 2005 through December 31, 2005, home
21 care agencies may obtain coverage either through the basic health plan
22 or through an alternative plan that provides substantially equivalent
23 benefits.

24 (b) The department, in consultation with the health care authority,
25 shall establish a health benefits purchasing cooperative for agency
26 home care workers. The health benefits offered through the cooperative
27 shall provide substantially equivalent benefits to the 2003 basic
28 health plan benefits package. The cooperative shall offer coverage
29 beginning January 1, 2006.

30 (c) Beginning January 1, 2006, home care agencies must obtain
31 coverage either through the basic health plan, the health benefits
32 purchasing cooperative established in (b) of this subsection, or the
33 Taft Hartley trust established in accordance with the collective
34 bargaining agreement for individual providers of home care services.

35 (2) For purposes of implementing chapter 74.46 RCW, the weighted
36 average nursing facility payment rate shall not exceed \$150.55 for
37 fiscal year 2006 and shall not exceed \$153.17 for fiscal year 2007.

1 (3) In accordance with chapter 74.46 RCW, the department shall
2 issue certificates of capital authorization that result in up to \$16
3 million of increased asset value completed and ready for occupancy in
4 fiscal year 2006; up to \$16 million of increased asset value completed
5 and ready for occupancy in fiscal year 2007; and up to \$16 million of
6 increased asset value completed and ready for occupancy in fiscal year
7 2008.

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

11 (5) In accordance with chapter 74.39 RCW, the department may
12 implement two medicaid waiver programs for persons who do not qualify
13 for such services as categorically needy, subject to federal approval
14 and the following conditions and limitations:

15 (a) One waiver program shall include coverage of care in community
16 residential facilities. Enrollment in the waiver shall not exceed 600
17 persons at any time.

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

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

24 (d) If it is necessary to establish a waiting list for either
25 waiver because the budgeted number of enrollment opportunities has been
26 reached, the department shall track how the long-term care needs of
27 applicants assigned to the waiting list are met.

28 (6) \$1,413,000 of the general fund--state appropriation for fiscal
29 year 2006, \$2,887,000 of the general fund--state appropriation for
30 fiscal year 2007, and \$4,305,000 of the general fund--federal
31 appropriation are provided solely to increase compensation for direct
32 care workers employed by home care agencies by 27 cents per hour on
33 July 1, 2005, and by an additional 23 cents per hour on July 1, 2006.
34 The amounts in this subsection also include the funds needed for the
35 employer share of unemployment and social security taxes on the amount
36 of the increase.

37 (7) \$1,786,000 of the general fund--state appropriation for fiscal

1 year 2006 and \$1,804,000 of the general fund--state appropriation for
2 fiscal year 2007 are provided solely for operation of the volunteer
3 chore services program.

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

10 (9) \$93,000 of the general fund--state appropriation for fiscal
11 year 2006, \$8,000 of the general fund--state appropriation for fiscal
12 year 2007, and \$101,000 of the general fund--federal appropriation are
13 provided solely to expand the number of boarding homes that receive
14 exceptional care rates for persons with Alzheimer's disease and related
15 dementias who might otherwise require nursing home care. The
16 department may expand the number of licensed boarding home facilities
17 that specialize in caring for such conditions by up to 85 beds in
18 fiscal year 2006 and up to 150 beds in fiscal year 2007.

19 (10) \$305,000 of the general fund--state appropriation for fiscal
20 year 2006 and \$377,000 of the general fund--state appropriation for
21 fiscal year 2007 are provided solely for the senior farmer's market
22 nutrition program.

23 (11) Within amounts appropriated in this section, the department
24 shall develop and implement a pilot program that authorizes assisted
25 living facilities to offer dual-occupancy accommodations to publicly-
26 funded residents who would otherwise be placed in a skilled nursing
27 facility or adult family home. The pilot shall include contracted
28 assisted living facilities that are ineligible to receive capital add-
29 on payments and whose Medicaid occupancy rates exceeded 50 percent as
30 of December 31, 2004.

31 (12) \$109,000 of the general fund--state appropriation for fiscal
32 year 2006, \$90,000 of the general fund--state appropriation for fiscal
33 year 2007, and \$198,000 of the general fund--federal appropriation are
34 provided solely for the implementation of Second Substitute House Bill
35 No. 1220 (long-term care financing). If the bill is not enacted by
36 June 30, 2005, the amounts provided in this subsection shall lapse.

37 (13) \$150,000 of the general fund--state appropriation for fiscal
38 year 2006 and \$150,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely for area agencies on aging, or
2 entities with which area agencies on aging contract, to provide a
3 kinship navigator for grandparents and other kinship caregivers of
4 children in both western and eastern Washington.

5 (a) Kinship navigator services shall include but not be limited to
6 assisting kinship caregivers with understanding and navigating the
7 system of services for children in out-of-home care while reducing
8 barriers faced by kinship caregivers when accessing services.

9 (b) In providing kinship navigator services, area agencies on aging
10 shall give priority to helping kinship caregivers maintain their
11 caregiving role by helping them access existing services and supports,
12 thus keeping children from entering foster care.

13 (14) \$435,000 of the general fund--state appropriation for fiscal
14 year 2006, \$435,000 of the general fund--state appropriation for fiscal
15 year 2007, and \$870,000 of the general fund--federal appropriation are
16 provided solely for supplemental compensation increases for direct care
17 workers employed by home care agencies in recognition of higher labor
18 market cost pressures experienced by agencies subject to collective
19 bargaining obligations. In order for a specific home care agency to be
20 eligible for such increases, home care agencies shall submit the
21 following to the department:

22 (i) Proof of a legally binding, written commitment to increase the
23 compensation of agency home care workers; and

24 (ii) Proof of the existence of a method of enforcement of the
25 commitment, such as arbitration, that is available to the employees or
26 their representative, and proof that such a method is expeditious, uses
27 a neutral decision maker, and is economical for the employees.

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

| | | |
|----|---|-----------------|
| 30 | General Fund--State Appropriation (FY 2006) | \$474,763,000 |
| 31 | General Fund--State Appropriation (FY 2007) | \$479,411,000 |
| 32 | General Fund--Federal Appropriation | \$1,238,190,000 |
| 33 | General Fund--Private/Local Appropriation | \$31,466,000 |
| 34 | TOTAL APPROPRIATION | \$2,223,830,000 |

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

1 (1) \$273,333,000 of the general fund--state appropriation for
2 fiscal year 2006, \$273,333,000 of the general fund--state appropriation
3 for fiscal year 2007, and \$1,020,292,000 of the general fund--federal
4 appropriation are provided solely for all components of the WorkFirst
5 program. Within the amounts provided for the WorkFirst program, the
6 department shall:

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

15 (b) Submit a report by October 1, 2005, to the fiscal committees of
16 the legislature containing a spending plan for the WorkFirst program.
17 The plan shall identify how spending levels in the 2005-2007 biennium
18 will be adjusted to stay within available federal grant levels and the
19 appropriated state-fund levels.

20 (2) \$75,833,000 of the general fund--state appropriation for fiscal
21 year 2006 and \$74,358,000 of the general fund--state appropriation for
22 fiscal year 2007 are provided solely for cash assistance and other
23 services to recipients in the general assistance--unemployable program.
24 Within these amounts:

25 (a) The department may expend funds for services that assist
26 recipients to obtain employment and reduce their dependence on public
27 assistance, provided that expenditures for these services and cash
28 assistance do not exceed the funds provided. Mental health, substance
29 abuse, and vocational rehabilitation services may be provided to
30 recipients whose incapacity is not severe enough to qualify for
31 services through a regional support network, the alcoholism and drug
32 addiction treatment and support act, or the division of vocational
33 rehabilitation to the extent that those services are necessary to
34 eliminate or minimize barriers to employment;

35 (b) The department shall review the general assistance caseload to
36 identify recipients that would benefit from assistance in becoming
37 naturalized citizens, and thus be eligible to receive federal

1 supplemental security income benefits. Those cases shall be given high
2 priority for naturalization funding through the department; and

3 (c) The department shall identify general assistance recipients who
4 are or may be eligible to receive health care coverage or services
5 through the federal veteran's administration and assist recipients in
6 obtaining access to those benefits.

7 (3) Within amounts appropriated in this section, the department
8 shall increase the state supplemental payment by \$10 per month for SSI
9 clients who reside in nursing facilities, residential habilitation
10 centers, or state hospitals and who receive a personal needs allowance
11 and decrease other state supplemental payments.

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

| | | |
|----|---|---------------|
| 14 | General Fund--State Appropriation (FY 2006) | \$51,834,000 |
| 15 | General Fund--State Appropriation (FY 2007) | \$59,746,000 |
| 16 | General Fund--Federal Appropriation | \$108,545,000 |
| 17 | General Fund--Private/Local Appropriation | \$626,000 |
| 18 | Criminal Justice Treatment Account--State Appropriation . . | \$16,500,000 |
| 19 | Violence Reduction and Drug Enforcement Account--State | |
| 20 | Appropriation | \$48,842,000 |
| 21 | Problem Gambling Treatment Account--State Appropriation . . | \$1,500,000 |
| 22 | Public Safety and Education Account--State | |
| 23 | Appropriation | \$2,077,000 |
| 24 | TOTAL APPROPRIATION | \$289,670,000 |

25 The appropriations in this section are subject to the following
26 conditions and limitations: \$1,500,000 of the problem gambling
27 treatment account appropriation is provided solely for the program
28 established in Engrossed Substitute House Bill No. 1031 (problem
29 gambling). If legislation creating the account is not enacted by June
30 30, 2005, this amount shall lapse.

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

| | | |
|----|---|-----------------|
| 33 | General Fund--State Appropriation (FY 2006) | \$1,478,101,000 |
| 34 | General Fund--State Appropriation (FY 2007) | \$1,589,133,000 |
| 35 | General Fund--Federal Appropriation | \$4,027,385,000 |
| 36 | General Fund--Private/Local Appropriation | \$2,000,000 |

| | | |
|---|--|-----------------|
| 1 | Emergency Medical Services and Trauma Care Systems | |
| 2 | Trust Account--State Appropriation | \$15,500,000 |
| 3 | Health Services Account--State Appropriation | \$637,441,000 |
| 4 | TOTAL APPROPRIATION | \$7,749,560,000 |

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

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

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

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

20 (4) Sufficient amounts are appropriated in this section for the
21 department to continue podiatry services for medicaid-eligible adults.

22 (5) Sufficient amounts are appropriated in this section for the
23 department to provide an adult dental benefit that is equivalent to the
24 benefit provided in the 2003-05 biennium.

25 (6) In accordance with RCW 74.46.625, \$6,000,000 of the general
26 fund--federal appropriation is provided solely for supplemental
27 payments to nursing homes operated by public hospital districts. The
28 public hospital district shall be responsible for providing the
29 required nonfederal match for the supplemental payment, and the
30 payments shall not exceed the maximum allowable under federal rules.
31 It is the legislature's intent that the payments shall be supplemental
32 to and shall not in any way offset or reduce the payments calculated
33 and provided in accordance with part E of chapter 74.46 RCW. It is the
34 legislature's further intent that costs otherwise allowable for rate-
35 setting and settlement against payments under chapter 74.46 RCW shall
36 not be disallowed solely because such costs have been paid by revenues
37 retained by the nursing home from these supplemental payments.

1 (7) \$1,660,000 of the health services account appropriation,
2 \$4,361,000 of the general fund--federal appropriation, \$1,350,000 of
3 the general fund--state appropriation for fiscal year 2006, and
4 \$1,351,000 of the general fund--state appropriation for fiscal year
5 2007 are provided solely for grants to rural hospitals. The department
6 shall distribute the funds under a formula that provides a relatively
7 larger share of the available funding to hospitals that (a) serve a
8 disproportionate share of low-income and medically indigent patients
9 and (b) have relatively smaller net financial margins, to the extent
10 allowed by the federal medicaid program.

11 (8) \$22,081,000 of the health services account appropriation and
12 \$20,714,000 of the general fund--federal appropriation are provided
13 solely for grants to nonrural hospitals. The department shall
14 distribute the funds under a formula that provides a relatively larger
15 share of the available funding to hospitals that (a) serve a
16 disproportionate share of low-income and medically indigent patients
17 and (b) have relatively smaller net financial margins, to the extent
18 allowed by the federal medicaid program.

19 (9) In response to the federal directive to eliminate
20 intergovernmental transfer transactions effective June 30, 2005, the
21 department is directed to implement the inpatient hospital certified
22 public expenditures program for the 2005-07 biennium. The program
23 shall apply to all public hospitals, including those owned or operated
24 by the state, except those classified as critical access hospitals or
25 state psychiatric institutions. Hospitals in the program shall be paid
26 and shall retain (a) one hundred percent of the federal portion of each
27 medicaid inpatient fee-for-service claim payable by the medical
28 assistance administration; and (b) one hundred percent of the federal
29 portion of the maximum disproportionate share hospital payment
30 allowable under federal regulations. Medicaid fee-for-service claim
31 amounts shall be established by applying the department's ratio of
32 costs to charges payment methodology. The department shall provide
33 participating hospitals with the information needed by the hospital to
34 certify the public expenditures required to qualify for the federal
35 portions of both the medicaid inpatient fee-for-service payments and
36 the disproportionate share hospital payments. The legislature intends
37 that hospitals in the program receive no less in combined state and
38 federal payments than they would have received under the methodology

1 that was in place during fiscal year 2005. In the event that any part
2 of the program including, but not limited to, allowable certified
3 public expenditures, is disallowed by the federal government, the
4 department shall not seek recoupment of payments from the hospitals,
5 provided the hospitals have complied with the directions of the
6 department for participation in the program. The department shall
7 therefore make additional grant payments, not to exceed the amounts
8 provided in this subsection, to hospitals whose total payments under
9 the program would otherwise be less than the total state and federal
10 payments they would have received under the methodology in effect
11 during fiscal year 2005. \$37,034,000 of the general fund--state
12 appropriation for fiscal year 2006, \$37,552,000 of the general fund--
13 state appropriation for fiscal year 2007, \$8,300,000 of the emergency
14 medical services and trauma care systems trust account--state
15 appropriation, and \$45,450,000 of the general fund--federal
16 appropriation are provided solely for new state grant and upper payment
17 limit programs for the participating hospitals.

18 (10) \$4,372,000 of the general fund--state appropriation for fiscal
19 year 2006, \$4,014,000 of the general fund--state appropriation for
20 fiscal year 2007, and \$65,112,000 of the general fund--federal
21 appropriation are provided solely for development and implementation of
22 a replacement system for the existing medicaid management information
23 system.

24 (11) \$150,000 of the general fund--state appropriation for fiscal
25 year 2006, \$75,000 of the general fund--state appropriation for fiscal
26 year 2007, and \$225,000 of the general fund--federal appropriation are
27 provided solely for the department to contract for an independent
28 analysis of the medical assistance administration's current system for
29 establishing hospital inpatient payment rates, and for recommendations
30 on a new or updated system. The department shall submit an interim
31 report of study findings by December 1, 2005, and a final report by
32 November 15, 2006. The interim report shall include a comparison of
33 the strengths and weaknesses of the current rate-setting system
34 relative to those used by other state, federal, and private payers,
35 including states with all-payer hospital rate setting systems. The
36 final report shall include recommendations on the design and
37 implementation of a new or updated system that will promote equity
38 among hospitals, access to quality care and improved health outcomes

1 for patients, and cost-control and efficiency for taxpayers. The study
2 should make use of complete and current cost data from a wide variety
3 of hospitals, recognize unique aspects of hospital service delivery
4 structures and medicaid payment systems in Washington, recognize
5 impacts on productivity and quality of care that may result from
6 hospital compensation, recruitment, and retention policies, and provide
7 opportunities for comment and participation by key interest groups in
8 the identification and assessment of alternatives.

9 (12) Payment rates for hospital inpatient and outpatient services
10 shall be increased by an average of 1.5 percent effective July 1, 2005,
11 and by an average of an additional 1.5 percent effective July 1, 2006.
12 The increases shall be provided only on the portion of a hospital's
13 rate that excludes medical education and outlier costs, and shall be
14 allocated so that hospitals with lower costs of care (excluding medical
15 education and outlier costs) receive larger percentage increases than
16 those with higher costs of care. The increases shall be allocated in
17 three percentage increments, with the lowest-cost hospitals receiving
18 the largest percentage rate increase, highest-cost hospitals receiving
19 the smallest percentage increase, and medium-cost hospitals receiving
20 the average of the highest and the lowest percentage rate increase.
21 Increases shall not be provided to those hospitals that are certified
22 as critical access. Sufficient funds are appropriated in this section
23 for Healthy Options contractors to increase hospital payment rates
24 commensurate with the increases in fee-for-service payment rates.

25 (13) When a person is ineligible for medicaid solely by reason of
26 residence in an institution for mental diseases, the department shall
27 provide the person with the same benefits as he or she would receive if
28 eligible for medicaid, using state-only funds to the extent necessary.

29 (14) The medical assistance administration is authorized to use
30 funds appropriated in this section to purchase goods and supplies
31 through direct contracting with vendors when the administration
32 determines it is cost-effective to do so.

33 (15) The legislature affirms that it is in the state's interest for
34 Harborview medical center to remain an economically viable component of
35 the state's health care system.

36 (16) By October 1, 2005, the department shall recommend to the
37 governor and legislature at least two pilot project designs which seem

1 likely to reduce avoidable emergency room utilization at no net cost to
2 the state within the projects' first eighteen months of operation.

3 (17) \$69,000 of the general fund--state appropriation for fiscal
4 year 2006, \$137,000 of the general fund--state appropriation for fiscal
5 year 2007, and \$207,000 of the general fund--federal appropriation are
6 provided solely for participation in the health technology assessment
7 program required in section 214(6) of this act.

8 (18) The department is also required to participate in the joint
9 health purchasing project described in section 214(7) of this act.

10 (19) The department shall, within available resources, continue
11 operation of the medical care services care management pilot project
12 for clients receiving general assistance benefits in King and Pierce
13 counties. The project may use a full or partial capitation model that
14 includes a mechanism for shared savings. To the extent that experience
15 with the pilot project indicates progress toward the goals of
16 maximizing care coordination, high-risk medical management, and chronic
17 care management to achieve better health outcomes, the department may
18 expand the pilot project to additional counties.

19 (20) The department will begin voluntary enrollment of SSI and
20 other eligible medicaid elderly and disabled persons into managed care
21 pilots by March 2006.

22 (21) Within the funding provided in section 207(2) of this act, the
23 medical assistance administration and the economic services
24 administration may implement a time-limited transitional prescription
25 drug benefit for general assistance unemployable recipients who obtain
26 employment and who have no other source of health insurance coverage.
27 The benefit shall be limited to coverage of prescription drugs and
28 medication management. The benefit shall be limited to one year. The
29 department shall implement a premium schedule for the benefits under
30 this subsection that is related to the participant's income. The
31 minimum premium shall be twenty dollars per month. Recipients of this
32 transitional benefit shall not be considered part of the general
33 assistance caseload unless eligibility is established under standard
34 reapplication procedures.

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

37 General Fund--State Appropriation (FY 2006) \$11,097,000

| | | |
|---|---|---------------|
| 1 | General Fund--State Appropriation (FY 2007) | \$11,074,000 |
| 2 | General Fund--Federal Appropriation | \$85,662,000 |
| 3 | General Fund--Private/Local Appropriation | \$440,000 |
| 4 | Telecommunications Devices for the Hearing and | |
| 5 | Speech Impaired--State Appropriation | \$1,786,000 |
| 6 | TOTAL APPROPRIATION | \$110,059,000 |

7 The appropriations in this section are subject to the following
8 conditions and limitations: The division of vocational rehabilitation
9 shall maintain support for existing clubhouse programs at the 2003-2005
10 level.

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

| | | |
|----|--|---------------|
| 13 | General Fund--State Appropriation (FY 2006) | \$31,347,000 |
| 14 | General Fund--State Appropriation (FY 2007) | \$27,597,000 |
| 15 | General Fund--Federal Appropriation | \$50,360,000 |
| 16 | General Fund--Private/Local Appropriation | \$810,000 |
| 17 | Public Safety and Education Account--State | |
| 18 | Appropriation | \$20,000 |
| 19 | Violence Reduction and Drug Enforcement Account--State | |
| 20 | Appropriation | \$6,000,000 |
| 21 | TOTAL APPROPRIATION | \$110,140,000 |

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

24 (1) \$500,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$500,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely for funding of the teamchild
27 project through the governor's juvenile justice advisory committee.

28 (2) \$13,000 of the general fund--state appropriation for fiscal
29 year 2006 and \$12,000 of the general fund--state appropriation for
30 fiscal year 2007 are provided solely for the Washington council for the
31 prevention of child abuse and neglect to conduct a public information
32 and outreach campaign concerning the significance, signs, and treatment
33 of postpartum depression.

34 (3) \$3,195,000 of the general fund--state appropriation for fiscal
35 year 2006, \$639,000 of the general fund--state appropriation for fiscal
36 year 2007, and \$3,833,000 of the general--fund federal appropriation

1 are provided solely to implement the 2005-07 home care worker
2 collective bargaining agreement.

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

| | | |
|---|---|---------------|
| 5 | General Fund--State Appropriation (FY 2006) | \$46,381,000 |
| 6 | General Fund--State Appropriation (FY 2007) | \$46,380,000 |
| 7 | General Fund--Federal Appropriation | \$45,103,000 |
| 8 | TOTAL APPROPRIATION | \$137,864,000 |

9 NEW SECTION. **Sec. 213. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
10 **SERVICES--INFORMATION SERVICES SYSTEM**

| | | |
|----|---|-----------|
| 11 | General Fund--State Appropriation (FY 2006) | \$274,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$274,000 |
| 13 | TOTAL APPROPRIATION | \$548,000 |

14 NEW SECTION. **Sec. 214. FOR THE STATE HEALTH CARE AUTHORITY**

| | | |
|----|--|---------------|
| 15 | General Fund--Federal Appropriation | \$2,766,000 |
| 16 | State Health Care Authority Administrative Account-- | |
| 17 | State Appropriation | \$29,392,000 |
| 18 | Medical Aid Account--State Appropriation | \$171,000 |
| 19 | Health Services Account--State Appropriation | \$457,340,000 |
| 20 | TOTAL APPROPRIATION | \$489,669,000 |

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

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

32 (2) The health care authority shall require organizations and
33 individuals which are paid to deliver basic health plan services and
34 which choose to sponsor enrollment in the subsidized basic health plan

1 to pay 133 percent of the premium amount which would otherwise be due
2 from the sponsored enrollees.

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

21 (4) \$19,108,000 of the health services account--state appropriation
22 is provided solely for funding for health care services provided
23 through local community clinics.

24 (5) \$391,000 of the health services account appropriation is
25 provided solely for implementation of House Bill No. 1219 (drug
26 purchasing consortium). If House Bill No. 1219 is not enacted by June
27 30, 2005, the amount provided in this subsection shall lapse.

28 (6) \$221,000 of the health services account--state appropriation is
29 provided solely for a health technology assessment to evaluate
30 scientific evidence regarding current and evolving health care
31 procedures, services and technology. The pilot shall be a joint effort
32 of the departments of social and health services, labor and industries,
33 corrections, and veteran's affairs and the health care authority. Upon
34 completion of assessment of a procedure, service or technology, the
35 agencies shall make every effort, consistent with federal and state
36 law, to jointly decide: (a) On coverage of the procedure, service or
37 technology by each agency, and (b) if covered, the guidelines or
38 criteria that will be applied to medical necessity decisions.

1 (7) The departments of social and health services, labor and
2 industries and the health care authority, in collaboration with
3 affected health care providers, facilities, and contracted health
4 plans, shall design and implement a joint health purchasing project
5 that links payment to health care provider or facility performance,
6 particularly where such performance is expected to improve patient
7 outcomes or where there are wide variations in clinical practice used
8 to treat a condition or illness. The purchasing effort shall utilize
9 evidence-based performance measures that are designed to improve
10 quality of care and yield measurable and significant savings. The
11 project shall include payment mechanisms that create incentives to
12 improve quality of care. On or before December 1, 2006, the agencies
13 shall report to relevant policy and fiscal committees of the
14 legislature on the status of the purchasing project, including actual
15 and anticipated savings.

16 (8) \$630,000 of the health services account appropriation is
17 provided solely for implementation of House Bill No. 2069 (small
18 business assistance program). If House Bill No. 2069 is not enacted by
19 June 30, 2005, the amount provided in this subsection shall lapse.

20 (9) \$750,000 of the health services account appropriation is
21 provided solely for implementation of House Bill No. 1689 (dental
22 residency program). If House Bill No. 1689 is not enacted by June 30,
23 2005, the amount provided in this subsection shall lapse.

24 (10) \$403,000 of the health services account appropriation is
25 provided solely for implementation of House Bill No. 2060 (non-
26 subsidized basic health plan). If House Bill No. 2060 is not enacted
27 by June 30, 2005, the amount provided in this subsection shall lapse.

28 (11) \$250,000 of the health services account appropriation is
29 provided solely for implementation of House Bill No. 1688 (certificate
30 of need program). If House Bill No. 1688 is not enacted by June 30,
31 2005, the amount provided in this subsection shall lapse.

32 (12) \$50,000 of the health services account--state appropriation is
33 provided solely for a study of the feasibility of the health care
34 authority establishing a consumer driven health plan pilot for
35 subsidized BHP enrollees. This pilot shall provide subsidized BHP
36 enrollees with the option of receiving a subsidy to purchase a health
37 insurance plan that consists of a health savings plan and a
38 high-deductible health plan from a regulated insurance carrier in the

1 private market. The health savings account shall conform to section
2 223, Part VII of subchapter B of chapter 1 of the internal revenue code
3 of 1986. The high deductible health plans shall provide preventative
4 care outside of the health plan deductible and a wellness program.
5 This study shall identify: (a) Health savings accounts and high
6 deductible plans offered by regulated insurance carriers in the private
7 market; (b) the required premiums and health savings account
8 contribution requirements for these plans; (c) the schedule of covered
9 health care services in the high deductible health plan, including
10 preventative and wellness services; (d) proposed subsidy scale based
11 upon gross family income, giving appropriate consideration to family
12 size and the ages of all family members; (e) process used to select
13 participants of the pilot program; and (d) proposed state funding plan
14 for the pilot. On or before December 1, 2005, the agency shall report
15 to relevant policy and fiscal committees of the legislature on the
16 results of the study.

17 NEW SECTION. **Sec. 215. FOR THE HUMAN RIGHTS COMMISSION**

| | | |
|----|---|-------------|
| 18 | General Fund--State Appropriation (FY 2006) | \$2,654,000 |
| 19 | General Fund--State Appropriation (FY 2007) | \$2,616,000 |
| 20 | General Fund--Federal Appropriation | \$1,672,000 |
| 21 | TOTAL APPROPRIATION | \$6,942,000 |

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

24 (1) The commission shall submit a report by December 1st of each
25 year to the office of financial management and the legislative fiscal
26 committees detailing any changes in existing federal revenues for the
27 remainder of the current fiscal year and changes in projections of
28 federal revenue for the upcoming fiscal year.

29 (2) \$85,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$67,000 of the general fund state appropriation for
31 fiscal year 2007 are provided solely for the implementation of House
32 Bill No. 1515 (expanding the jurisdiction of the human rights
33 commission). If House Bill No. 1515 is not enacted by June 30, 2005,
34 the amounts provided in this subsection shall lapse.

35 NEW SECTION. **Sec. 216. FOR THE BOARD OF INDUSTRIAL INSURANCE**

1 **APPEALS**

2 Worker and Community Right-to-Know Account--State

3 Appropriation \$20,000

4 Accident Account--State Appropriation \$15,895,000

5 Medical Aid Account--State Appropriation \$15,894,000

6 TOTAL APPROPRIATION \$31,809,000

7 NEW SECTION. **Sec. 217. FOR THE CRIMINAL JUSTICE TRAINING**
8 **COMMISSION**

9 Public Safety and Education Account--State

10 Appropriation \$19,076,000

11 Death Investigations Account--State Appropriation \$148,000

12 Municipal Criminal Justice Assistance Account--

13 Private/Local Appropriation \$460,000

14 TOTAL APPROPRIATION \$19,684,000

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

17 (1) During the 2005-2007 biennium, the criminal justice training
18 commission is authorized to raise existing fees charged for firearms
19 certification for security guards in excess of the fiscal growth factor
20 established pursuant to RCW 43.135.055, if necessary, to meet the
21 actual costs of conducting the certification programs and the
22 appropriation levels in this section.

23 (2) \$100,000 of the public safety and education account--state
24 appropriation is provided solely for support of the coalition of small
25 police agencies major crimes task force. The purpose of this task
26 force is to pool its resources and to establish an efficient and
27 cooperative approach in addressing major violent crimes.

28 (3) \$25,000 of the public safety and education account
29 appropriation is provided solely to increase payment rates for the
30 criminal justice training commission's contract with the Washington
31 association of sheriffs and police chiefs.

32 (4) \$11,000 of the public safety and education account
33 appropriation is provided solely to increase payment rates for the
34 criminal justice training commission's contracted food service
35 provider.

1 NEW SECTION. **Sec. 218. FOR THE DEPARTMENT OF LABOR AND**
2 **INDUSTRIES**

| | | |
|----|--|---------------|
| 3 | General Fund--State Appropriation (FY 2006) | \$7,230,000 |
| 4 | General Fund--State Appropriation (FY 2007) | \$7,145,000 |
| 5 | Public Safety and Education Account--State | |
| 6 | Appropriation | \$26,832,000 |
| 7 | Public Safety and Education Account--Federal | |
| 8 | Appropriation | \$10,000,000 |
| 9 | Asbestos Account--State Appropriation | \$782,000 |
| 10 | Electrical License Account--State Appropriation | \$32,269,000 |
| 11 | Farm Labor Revolving Account--Private/Local | |
| 12 | Appropriation | \$28,000 |
| 13 | Worker and Community Right-to-Know Account--State | |
| 14 | Appropriation | \$1,732,000 |
| 15 | Public Works Administration Account--State | |
| 16 | Appropriation | \$3,041,000 |
| 17 | Accident Account--State Appropriation | \$197,792,000 |
| 18 | Accident Account--Federal Appropriation | \$13,616,000 |
| 19 | Medical Aid Account--State Appropriation | \$196,473,000 |
| 20 | Medical Aid Account--Federal Appropriation | \$3,180,000 |
| 21 | Plumbing Certificate Account--State Appropriation | \$1,560,000 |
| 22 | Pressure Systems Safety Account--State Appropriation | \$3,089,000 |
| 23 | TOTAL APPROPRIATION | \$504,769,000 |

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

26 (1) \$700,000 of the accident account--state appropriation and
27 \$699,000 of the medical aid account--state appropriation are provided
28 solely for the construction of a computer system to collect data from
29 self-insured employers and are contingent on the passage of Substitute
30 House Bill No. 1310 (workers compensation reporting) on mandatory
31 electronic data reporting by self-insured employers. If the bill is
32 not enacted by June 30, 2005, the amounts provided in this subsection
33 shall lapse.

34 (2) \$26,831,000 of the public safety and education account--state
35 appropriation and \$10,000,000 of the public safety and education
36 account--federal appropriation are provided solely for the crime
37 victims' compensation program. If the department estimates that
38 expenditures for crime victims' compensation will exceed the

1 appropriation, the department shall take steps, including but not
2 limited to reduction of rates or elimination of optional services, to
3 reduce expenditures so that total program costs do not exceed the
4 annual appropriation authority.

5 (3) \$200,000 of the medical aid account--state appropriation is
6 provided solely to reimburse the department of agriculture for the
7 agricultural worker pesticide handling and application training
8 program.

9 (4) \$71,000 of the medical aid account--state appropriation and
10 \$71,000 of the accident account--state appropriation for the fiscal
11 year 2007 are provided solely for the review of payment of medical
12 bills and authorization for medical procedures by self-insurers.

13 (5) The department is required to participate in the health
14 technology assessment program required in section 214(6) of this act.

15 (6) The department is also required to participate in the joint
16 health purchasing project described in section 214(7) of this act.

17 (7) \$110,000 of the general fund--state appropriation for fiscal
18 year 2006 and \$84,000 of the general fund--state appropriation for
19 fiscal year 2007 are provided for the implementation of Substitute
20 House Bill No. 1393 (older mobile homes). If the bill is not enacted
21 by June 30, 2005, the amount provided in this subsection shall lapse.

22 (8) \$182,000 of the accident account--state appropriation and
23 \$182,000 of the medical aid account--state appropriation are provided
24 solely to expand the Spokane center of occupational health and
25 education to include Yakima county. The Spokane center of occupational
26 health will recruit and train approximately one hundred sixty
27 physicians in Yakima county on best practices for occupational medicine
28 and work with labor and business to improve quality and outcomes of
29 medical care provided to injured workers.

30 (9) \$158,000 of the accident account--state appropriation and
31 \$158,000 of the medical aid account--state appropriation are provided
32 solely to implement Substitute House Bill No. 1856 (annual audits of
33 the state industrial insurance fund). If the bill is not enacted by
34 June 30, 2005, the amounts provided in this subsection shall lapse.

35 NEW SECTION. **Sec. 219. FOR THE INDETERMINATE SENTENCE REVIEW**
36 **BOARD**

37 General Fund--State Appropriation (FY 2006) \$1,060,000

1 General Fund--State Appropriation (FY 2007) \$1,055,000
 2 TOTAL APPROPRIATION \$2,115,000

3 NEW SECTION. **Sec. 220. FOR THE DEPARTMENT OF VETERANS AFFAIRS**

4 (1) HEADQUARTERS

5 General Fund--State Appropriation (FY 2006) \$1,803,000
 6 General Fund--State Appropriation (FY 2007) \$1,737,000
 7 Charitable, Educational, Penal, and Reformatory
 8 Institutions Account--State Appropriation \$10,000
 9 TOTAL APPROPRIATION \$3,550,000

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

12 (a) The department shall participate in the health technology
 13 assessment program required in section 214(6) of this act.

14 (b) The department shall participate in the joint health purchasing
 15 project described in section 214(7) of this act.

16 (c) \$25,000 of the general fund--state appropriation for fiscal
 17 year 2006 is provided for the department to conduct a feasibility study
 18 of a veterans' cemetery in eastern Washington. The study shall include
 19 location, acquisition costs, projection of continued operations costs,
 20 and revenue sources for acquisition and operations. A final report of
 21 the findings shall be submitted no later than December 15, 2005.

22 (2) FIELD SERVICES

23 General Fund--State Appropriation (FY 2006) \$2,750,000
 24 General Fund--State Appropriation (FY 2007) \$2,726,000
 25 General Fund--Federal Appropriation \$318,000
 26 General Fund--Private/Local Appropriation \$1,943,000
 27 TOTAL APPROPRIATION \$7,737,000

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

30 (a) \$25,000 of the general fund--state appropriation for fiscal
 31 year 2006 is provided solely for the development of a public service
 32 announcement outreach campaign directed at returning veterans from
 33 Operation Iraqi Freedom and Operation Enduring Freedom.

34 (b) \$75,000 of the general fund--state appropriation for fiscal
 35 year 2006 and \$95,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely for the posttraumatic stress
2 counseling program expansion to address the needs of veterans returning
3 from Iraq and Afghanistan.

4 (3) INSTITUTIONAL SERVICES

| | | |
|---|---|--------------|
| 5 | General Fund--State Appropriation (FY 2006) | \$7,099,000 |
| 6 | General Fund--State Appropriation (FY 2007) | \$6,208,000 |
| 7 | General Fund--Federal Appropriation | \$31,799,000 |
| 8 | General Fund--Private/Local Appropriation | \$26,454,000 |
| 9 | TOTAL APPROPRIATION | \$71,560,000 |

10 NEW SECTION. **Sec. 221. FOR THE HOME CARE QUALITY AUTHORITY**

| | | |
|----|---|-------------|
| 11 | General Fund--State Appropriation (FY 2006) | \$1,408,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$1,576,000 |
| 13 | General Fund--Federal Appropriation | \$1,034,000 |
| 14 | TOTAL APPROPRIATION | \$4,018,000 |

15 The appropriations in this section are subject to the following
16 conditions and limitations: The legislature encourages the home care
17 quality authority to move forward with implementation of a statewide
18 referral registry system by use of any existing and future agency
19 administrative moneys and by seeking other means of funding, including
20 grants and additional funding resources.

21 NEW SECTION. **Sec. 222. FOR THE DEPARTMENT OF HEALTH**

| | | |
|----|--|---------------|
| 22 | General Fund--State Appropriation (FY 2006) | \$63,669,000 |
| 23 | General Fund--State Appropriation (FY 2007) | \$63,434,000 |
| 24 | General Fund--Federal Appropriation | \$452,484,000 |
| 25 | General Fund--Private/Local Appropriation | \$99,739,000 |
| 26 | Hospital Commission Account--State Appropriation | \$2,553,000 |
| 27 | Health Professions Account--State Appropriation | \$49,943,000 |
| 28 | Aquatic Lands Enhancement Account--State | |
| 29 | Appropriation | \$600,000 |
| 30 | Emergency Medical Services and Trauma Care Systems | |
| 31 | Trust Account--State Appropriation | \$12,567,000 |
| 32 | Safe Drinking Water Account--State Appropriation | \$2,838,000 |
| 33 | Drinking Water Assistance Account--Federal | |
| 34 | Appropriation | \$15,969,000 |
| 35 | Waterworks Operator Certification--State Appropriation | \$1,083,000 |
| 36 | Drinking Water Assistance Administrative Account-- | |

| | | |
|----|---|---------------|
| 1 | State Appropriation | \$326,000 |
| 2 | Water Quality Account--State Appropriation | \$3,502,000 |
| 3 | State Toxics Control Account--State Appropriation | \$2,756,000 |
| 4 | Medical Test Site Licensure Account--State | |
| 5 | Appropriation | \$1,752,000 |
| 6 | Youth Tobacco Prevention Account--State Appropriation | \$1,806,000 |
| 7 | Public Health Supplemental Account--Private/Local | |
| 8 | Appropriation | \$3,306,000 |
| 9 | Accident Account--State Appropriation | \$266,000 |
| 10 | Medical Aid Account--State Appropriation | \$46,000 |
| 11 | Health Services Account--State Appropriation | \$38,083,000 |
| 12 | Tobacco Prevention and Control Account--State | |
| 13 | Appropriation | \$52,621,000 |
| 14 | Patient Safety Account--State Appropriation | \$641,000 |
| 15 | TOTAL APPROPRIATION | \$869,984,000 |

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

18 (1) The department or any successor agency is authorized to raise
19 existing fees charged for the clandestine drug lab program, the
20 drinking water program, radioactive materials license fees, X-ray
21 facility registration fees, shellfish commercial paralytic shellfish
22 poisoning fees, the water recreation program, the wastewater management
23 program, newborn specialty clinic fees, and the midwifery program, in
24 excess of the fiscal growth factor pursuant to RCW 43.135.055, if
25 necessary, to meet the actual costs of conducting business and the
26 appropriation levels in this section. However, the department may not
27 raise existing fees charged for the midwifery program by more than
28 twenty percent over the biennium.

29 (2) \$1,363,000 of the general fund--state fiscal year 2006
30 appropriation, \$1,363,000 of the general fund--state fiscal year 2007
31 appropriation, and \$676,000 of the general fund--local appropriation
32 are provided solely for the implementation of the Puget Sound
33 conservation and recovery plan and agency action items, DOH-01, DOH-02,
34 DOH-03, and DOH-04.

35 (3) The department of health shall not initiate any services that
36 will require expenditure of state general fund moneys unless expressly
37 authorized in this act or other law. The department may seek, receive,
38 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not

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

13 (4) \$383,000 of the general fund--state appropriation for fiscal
14 year 2006, \$317,000 of the general fund--state appropriation for fiscal
15 year 2007, and \$600,000 of the aquatic lands enhancement account
16 appropriation are provided solely for the implementation of House Bill
17 No. 1458 (on-site sewage/marine areas). The funds are provided to
18 assist counties in marine areas complete on-site sewage system
19 management plans and electronic data bases to inventory on-site sewage
20 systems. If the bill is not enacted by June 30, 2005, the amounts
21 provided in this subsection shall lapse.

22 (5) \$60,000 of the health professions account appropriation is
23 provided solely for implementation of House Bill No. 1316 (prescription
24 importation). If House Bill No. 1316 is not enacted by June 30, 2005,
25 the amount provided in this subsection shall lapse.

26 (6) \$474,000 of the health professions account appropriation is
27 provided solely for implementation of House Bill No. 2266 (precursor
28 drugs). If House Bill No. 2266 is not enacted by June 30, 2005, the
29 amount provided in this subsection shall lapse.

30 (7) \$125,000 of the health professions account appropriation is
31 provided solely for implementation of House Bill No. 1850 (volunteer
32 medical worker). If House Bill No. 1850 is not enacted by June 30,
33 2005, the amount provided in this subsection shall lapse.

34 (8) \$82,000 of the health professions account appropriation is
35 provided solely for implementation of House Bill No. 1194 (prescription
36 drug reimportation). If House Bill No. 1194 is not enacted by June 30,
37 2005, the amount provided in this subsection shall lapse.

1 (9) \$42,000 of the health professions account appropriation is
2 provided solely for implementation of House Bill No. 1168 (prescription
3 reimportation). If House Bill No. 1168 is not enacted by June 30,
4 2005, the amount provided in this subsection shall lapse.

5 (10) \$90,000 of the general fund--state appropriation for fiscal
6 year 2006 and \$65,000 of the general fund--state appropriation for
7 fiscal year 2007 are provided solely for implementation of House Bill
8 No. 1516 (health services for children). If House Bill No. 1516 is not
9 enacted by June 30, 2005, the amount provided in this subsection shall
10 lapse.

11 (11) \$641,000 of the patient safety account appropriation is
12 provided solely for implementation of House Bill No. 1291 (patient
13 safety practices). If House Bill No. 1291 is not enacted by June 30,
14 2005, the amount provided in this subsection shall lapse.

15 (12) \$179,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$144,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for implementation of House Bill
18 No. 1268 (stem cell research). If House Bill No. 1268 is not enacted
19 by June 30, 2005, the amounts provided in this subsection shall lapse.

20 (13) \$100,000 of the general fund--state appropriation for fiscal
21 year 2006 and \$200,000 of the general fund--state appropriation for
22 fiscal year 2007 are provided solely for the department to implement a
23 multi-year pilot project covering Adams, Chelan, Douglas, Grant and
24 Franklin counties for persons with household income at or below 200
25 percent of the federal poverty level who are ineligible for family
26 planning services through the medicaid program. Individuals who will
27 be served under the pilot program include women who have never been
28 pregnant, are not currently pregnant, or are beyond the family planning
29 extension period allowed for first steps program eligibility. It is
30 anticipated that the pilot program will serve approximately 500 women
31 annually. The department will provide a preliminary report to the
32 appropriate committees of the legislature by January 1, 2006, and a
33 final report by January 1, 2007.

34 (14) \$168,000 of the health services account--state appropriation
35 for fiscal year 2006 is provided solely for the department to offer
36 parents and providers a choice between newly available combination
37 vaccines and corresponding single-antigen equivalents currently

1 purchased by the department. The department shall offer the choice on
2 a phased-in basis.

3 (15) \$462,000 of the general fund--private/local appropriation is
4 provided solely to support specialty clinics that provide treatment
5 services to children that are identified with one of the five heritable
6 or metabolic disorders added to the newborn screening panel by the
7 state board of health in 2003.

8 (16) Within the amounts provided in this section, the department
9 shall implement Substitute House Bill No. 1282 (healthy youth act).

10 (17) \$125,000 of the general fund--state appropriation for fiscal
11 year 2006 and \$125,000 of the general fund--state appropriation for
12 fiscal year 2007 are provided solely for the farmers' market nutrition
13 program of the special supplemental nutrition program for women,
14 infants and children. It is anticipated that these funds will enable
15 the department to expand 2004 participation levels by 8,000 persons
16 annually.

17 (18) The department of health shall develop, in consultation with
18 the department of revenue, the department of social and health
19 services, and the health care authority, a program to provide business
20 and occupation tax credits for physicians who serve uninsured,
21 medicare, and medicaid patients in a private practice or a reduced fee
22 access program for the uninsured and shall submit proposed legislation
23 to the legislature by December 15, 2005. The program must relate the
24 amount of any tax credit to the extent to which a provider serves
25 uninsured, medicare, and medicaid patients, such that providers who
26 serve the greatest number of uninsured, medicare, and medicaid patients
27 receive the greatest tax credit. The program also should recommend a
28 minimum threshold of uninsured, medicare, or medicaid patients that a
29 provider must serve in order to qualify for the tax credit.

30 (19) \$100,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$100,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the infertility prevention
33 project to implement effective prevention strategies designed to reduce
34 the prevalence of chlamydia and gonorrhea and their potentially
35 debilitating complications.

36 NEW SECTION. **Sec. 223. FOR THE DEPARTMENT OF CORRECTIONS**

37 (1) ADMINISTRATION AND SUPPORT SERVICES

| | | |
|---|---|---------------|
| 1 | General Fund--State Appropriation (FY 2006) | \$51,563,000 |
| 2 | General Fund--State Appropriation (FY 2007) | \$51,191,000 |
| 3 | General Fund--Federal Appropriation | \$1,022,000 |
| 4 | Violence Reduction and Drug Enforcement Account-- | |
| 5 | State Appropriation | \$26,000 |
| 6 | Public Safety and Education Account--State | |
| 7 | Appropriation | \$2,656,000 |
| 8 | TOTAL APPROPRIATION | \$106,458,000 |

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

11 (a) \$11,250,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$11,250,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely for phase three of the
14 department's offender-based tracking system replacement project. These
15 amounts are conditioned on the department satisfying the requirements
16 of section 902 of this act.

17 (b) \$562,000 of the general fund--state appropriation for fiscal
18 year 2006 and \$384,000 of the general fund--state appropriation for
19 fiscal year 2007 are provided solely for the implementation of House
20 Bill No. 2016 (drug offender confinement). If the bill is not enacted
21 by June 30, 2005, the amounts provided in this subsection shall lapse.

22 (c) \$26,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$44,000 of the general fund--state appropriation for
24 fiscal year 2007 are provided solely for the implementation of
25 Substitute House Bill No. 1402 (offender travel or transfer). If the
26 bill is not enacted by June 30, 2005, the amounts provided in this
27 subsection shall lapse.

28 (2) CORRECTIONAL OPERATIONS

| | | |
|----|---|---------------|
| 29 | General Fund--State Appropriation (FY 2006) | \$495,418,000 |
| 30 | General Fund--State Appropriation (FY 2007) | \$492,954,000 |
| 31 | General Fund--Federal Appropriation | \$4,422,000 |
| 32 | Violence Reduction and Drug Enforcement Account-- | |
| 33 | State Appropriation | \$2,984,000 |
| 34 | TOTAL APPROPRIATION | \$995,778,000 |

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

1 (a) For the acquisition of properties and facilities, the
2 department of corrections is authorized to enter into financial
3 contracts, paid for from operating resources, for the purposes
4 indicated and in not more than the principal amounts indicated, plus
5 financing expenses and required reserves pursuant to chapter 39.94 RCW.
6 This authority applies to the following: Lease-develop with the option
7 to purchase or lease-purchase work release beds in facilities
8 throughout the state for \$8,561,000.

9 (b) The department may expend funds generated by contractual
10 agreements entered into for mitigation of severe overcrowding in local
11 jails. Any funds generated in excess of actual costs shall be
12 deposited in the state general fund. Expenditures shall not exceed
13 revenue generated by such agreements and shall be treated as recovery
14 of costs.

15 (c) The department shall provide funding for the pet partnership
16 program at the Washington corrections center for women at a level at
17 least equal to that provided in the 1995-97 biennium.

18 (d) The department shall accomplish personnel reductions with the
19 least possible impact on correctional custody staff, community custody
20 staff, and correctional industries. For the purposes of this
21 subsection, correctional custody staff means employees responsible for
22 the direct supervision of offenders.

23 (e) During the 2005-07 biennium, when contracts are established or
24 renewed for offender pay phone and other telephone services provided to
25 inmates, the department shall select the contractor or contractors
26 primarily based on the following factors: (i) The lowest rate charged
27 to both the inmate and the person paying for the telephone call; and
28 (ii) the lowest commission rates paid to the department, while
29 providing reasonable compensation to cover the costs of the department
30 to provide the telephone services to inmates and provide sufficient
31 revenues for the activities funded from the institutional welfare
32 betterment account.

33 (f) \$14,000 of the general fund--state appropriation for fiscal
34 year 2006 and \$27,000 of the general fund--state appropriation for
35 fiscal year 2007 are provided solely for participation in the health
36 technology assessment program required in section 214(6) of this act.
37 The department shall also participate in the joint health purchasing
38 project described in section 214(7) of this act.

1 (g) \$21,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$322,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for the implementation of House
4 Bill No. 1966 (identity theft). If the bill is not enacted by June 30,
5 2005, the amounts provided in this subsection shall lapse.

6 (h) The Harborview medical center shall provide inpatient and
7 outpatient hospital services to offenders confined in department of
8 corrections facilities at a rate no greater than the average rate that
9 the department has negotiated with other community hospitals in
10 Washington state.

11 (3) COMMUNITY SUPERVISION

| | |
|--|---------------|
| 12 General Fund--State Appropriation (FY 2006) | \$83,766,000 |
| 13 General Fund--State Appropriation (FY 2007) | \$83,435,000 |
| 14 Public Safety and Education Account--State | |
| 15 Appropriation | \$15,989,000 |
| 16 TOTAL APPROPRIATION | \$183,190,000 |

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

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

24 (b) \$268,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$484,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely for the implementation of
27 Substitute House Bill No. 1402 (offender travel or transfer). If the
28 bill is not enacted by June 30, 2005, the amounts provided in this
29 subsection shall lapse.

30 (c) \$3,048,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$5,533,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the implementation of House
33 Bill No. 2016 (drug offender confinement). If the bill is not enacted
34 by June 30, 2005, the amounts provided in this subsection shall lapse.

35 (d) \$122,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$82,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely for the implementation of House

1 Bill No. 1136 (electronic monitoring system). If the bill is not
2 enacted by June 30, 2005, the amounts provided in this subsection shall
3 lapse.

4 (e) \$16,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$232,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for the implementation of House
7 Bill No. 1966 (identity theft). If the bill is not enacted by June 30,
8 2005, the amounts provided in this subsection shall lapse.

9 (f) \$75,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$75,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided solely for the department of corrections
12 to contract with the institute for public policy for responsibilities
13 assigned in chapter 196, Laws of 1999 (offender accountability act) and
14 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
15 sentencing).

16 (4) CORRECTIONAL INDUSTRIES

| | | |
|----|---|-------------|
| 17 | General Fund--State Appropriation (FY 2006) | \$831,000 |
| 18 | General Fund--State Appropriation (FY 2007) | \$867,000 |
| 19 | TOTAL APPROPRIATION | \$1,698,000 |

20 The appropriations in this subsection are subject to the following
21 conditions and limitations: \$110,000 of the general fund--state
22 appropriation for fiscal year 2006 and \$110,000 of the general fund--
23 state appropriation for fiscal year 2007 are provided solely for
24 transfer to the jail industries board. The board shall use the amounts
25 provided only for administrative expenses, equipment purchases, and
26 technical assistance associated with advising cities and counties in
27 developing, promoting, and implementing consistent, safe, and efficient
28 offender work programs.

29 (5) INTERAGENCY PAYMENTS

| | | |
|----|---|--------------|
| 30 | General Fund--State Appropriation (FY 2006) | \$33,839,000 |
| 31 | General Fund--State Appropriation (FY 2007) | \$33,838,000 |
| 32 | TOTAL APPROPRIATION | \$67,677,000 |

33 NEW SECTION. **Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE**
34 **BLIND**

| | | |
|----|---|-------------|
| 35 | General Fund--State Appropriation (FY 2006) | \$1,872,000 |
| 36 | General Fund--State Appropriation (FY 2007) | \$1,898,000 |

| | | |
|---|---|--------------|
| 1 | General Fund--Federal Appropriation | \$15,076,000 |
| 2 | General Fund--Private/Local Appropriation | \$80,000 |
| 3 | TOTAL APPROPRIATION | \$18,926,000 |

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

| | | |
|---|---|-------------|
| 5 | General Fund--State Appropriation (FY 2006) | \$846,000 |
| 6 | General Fund--State Appropriation (FY 2007) | \$835,000 |
| 7 | TOTAL APPROPRIATION | \$1,681,000 |

8 NEW SECTION. **Sec. 226. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

| | | |
|----|---|---------------|
| 9 | General Fund--State Appropriation (FY 2006) | \$60,000 |
| 10 | General Fund--State Appropriation (FY 2007) | \$60,000 |
| 11 | General Fund--Federal Appropriation | \$257,246,000 |
| 12 | General Fund--Private/Local Appropriation | \$30,964,000 |
| 13 | Unemployment Compensation Administration Account-- | |
| 14 | Federal Appropriation | \$189,223,000 |
| 15 | Administrative Contingency Account--State | |
| 16 | Appropriation | \$14,629,000 |
| 17 | Employment Service Administrative Account--State | |
| 18 | Appropriation | \$23,830,000 |
| 19 | TOTAL APPROPRIATION | \$516,012,000 |

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

22 (1) \$2,087,000 of the unemployment compensation administration
23 account--federal appropriation is provided from amounts made available
24 to the state by section 903(d) of the Social Security Act (Reed Act).
25 This amount is provided to replace obsolete information technology
26 infrastructure.

27 (2) \$12,735,000 of the unemployment compensation administration
28 account--federal appropriation is provided from amounts made available
29 to the state by section 903(d) of the Social Security Act (Reed Act).
30 This amount is authorized for state choice administrative functions.
31 The department shall submit recommendations by September 1, 2007, to
32 the office of financial management and the legislative fiscal
33 committees for options reducing the costs of the state choice
34 administrative functions for the 2007-2009 biennium. If these options
35 require any statutory changes, the department shall submit agency

1 request legislation to the appropriate legislative policy committees
2 and fiscal committees by December 15, 2007.

3 (3) \$2,300,000 of the unemployment compensation administration
4 account--federal appropriation is provided from amounts made available
5 to the state by section 903(d) of the Social Security Act (Reed Act).
6 This amount is authorized to continue implementation of chapter 4, Laws
7 of 2003 2nd sp. sess. and for implementation costs relating to
8 Engrossed House Bill No. 2255 (unemployment insurance).

(End of part)

PART III
NATURAL RESOURCES

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

| | |
|---|-------------|
| General Fund--State Appropriation (FY 2006) | \$466,000 |
| General Fund--State Appropriation (FY 2007) | \$469,000 |
| General Fund--Private/Local Appropriation | \$845,000 |
| TOTAL APPROPRIATION | \$1,780,000 |

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

| | |
|---|--------------|
| General Fund--State Appropriation (FY 2006) | \$40,136,000 |
| General Fund--State Appropriation (FY 2007) | \$38,922,000 |
| General Fund--Federal Appropriation | \$72,286,000 |
| General Fund--Private/Local Appropriation | \$13,225,000 |
| Special Grass Seed Burning Research | |
| Account--State Appropriation | \$14,000 |
| Reclamation Account--State Appropriation | \$2,531,000 |
| Flood Control Assistance Account--State | |
| Appropriation | \$2,042,000 |
| State Emergency Water Projects Revolving | |
| Account--State Appropriation | \$2,531,000 |
| Waste Reduction/Recycling/Litter Control--State | |
| Appropriation | \$14,789,000 |
| State Drought Preparedness Account--State | |
| Appropriation | \$157,000 |
| State and Local Improvements Revolving | |
| Account (Water Supply Facilities)--State | |
| Appropriation | \$342,000 |
| Vessel Response Account--State Appropriation | \$2,876,000 |
| Site Closure Account--State Appropriation | \$725,000 |
| Water Quality Account--State Appropriation | \$27,530,000 |
| Wood Stove Education and Enforcement | |
| Account--State Appropriation | \$357,000 |
| Worker and Community Right-to-Know | |
| Account--State Appropriation | \$2,053,000 |
| State Toxics Control Account--State Appropriation | \$80,849,000 |

| | | |
|----|---|---------------|
| 1 | State Toxics Control Account--Private/Local | |
| 2 | Appropriation | \$363,000 |
| 3 | Local Toxics Control Account--State Appropriation | \$5,089,000 |
| 4 | Water Quality Permit Account--State Appropriation | \$30,783,000 |
| 5 | Underground Storage Tank Account--State Appropriation | \$2,794,000 |
| 6 | Environmental Excellence Account--State Appropriation | \$504,000 |
| 7 | Biosolids Permit Account--State Appropriation | \$815,000 |
| 8 | Hazardous Waste Assistance Account--State | |
| 9 | Appropriation | \$4,963,000 |
| 10 | Air Pollution Control Account--State Appropriation | \$11,103,000 |
| 11 | Oil Spill Prevention Account--State Appropriation | \$9,885,000 |
| 12 | Air Operating Permit Account--State Appropriation | \$2,507,000 |
| 13 | Freshwater Aquatic Weeds Account--State | |
| 14 | Appropriation | \$2,519,000 |
| 15 | Oil Spill Response Account--State Appropriation | \$7,078,000 |
| 16 | Metals Mining Account--State Appropriation | \$14,000 |
| 17 | Water Pollution Control Revolving Account--State | |
| 18 | Appropriation | \$393,000 |
| 19 | Water Pollution Control Revolving Account--Federal | |
| 20 | Appropriation | \$1,913,000 |
| 21 | Commercial Passenger Vessel Enforcement Account--State | |
| 22 | Appropriation | \$124,000 |
| 23 | TOTAL APPROPRIATION | \$382,212,000 |

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

26 (1) \$2,526,196 of the general fund--state appropriation for fiscal
27 year 2006, \$2,526,195 of the general fund--state appropriation for
28 fiscal year 2007, \$366,000 of the general fund--federal appropriation,
29 \$2,581,000 of the state toxics account--state appropriation, \$540,806
30 of the water quality account--state appropriation, \$3,748,220 of the
31 water quality permit account--state appropriation, and \$705,000 of the
32 oil spill prevention account are provided solely for the implementation
33 of the Puget Sound conservation and recovery plan and agency action
34 items DOE-01, DOE-02, DOE-04, DOE-06, DOE-07, DOE-08, and DOE-09.

35 (2) \$375,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$375,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely to negotiate agreements to secure
38 water as part of the Columbia river initiative program. Of this

1 amount, \$210,000 is provided to the department of fish and wildlife to
2 determine impacts on fish from changes in water storage at Lake
3 Roosevelt.

4 (3) \$661,000 of the reclamation account--state appropriation is
5 provided solely to implement House Bill No. 1939 (well construction).
6 If the bill is enacted by June 30, 2005, \$150,000 from the general
7 fund--state appropriation for fiscal year 2006 and \$150,000 from the
8 general fund--state appropriation for fiscal year 2007 provided in this
9 section shall lapse. If the bill is not enacted by June 30, 2005, the
10 amount provided in this subsection shall lapse.

11 (4) \$1,403,000 of the state toxics control account--state
12 appropriation is provided solely to complete the polybrominated
13 diphenyl ether (PBDE) chemical action plan and to reduce persistent
14 bioaccumulative toxics from the environment. Upon completion of the
15 PBDE chemical action plan, the department may request funding to
16 implement the plan.

17 (5) \$200,000 of the water quality account--state appropriation is
18 provided solely for the department to contract with the state
19 conservation commission to provide statewide coordination and support
20 for coordinated resource management.

21 (6) \$156,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$144,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely to expand the department's pilot
24 program for processing 401 water quality certification projects to a
25 statewide process and timeline to meet improved permit processing
26 accountability and timelines, which will result in 90 percent of
27 routine certifications occurring within 90 days of application, and
28 acknowledgement of receipt of the application being sent within 10
29 days.

30 (7) \$250,000 of the state toxics control account--state
31 appropriation is provided solely to implement Engrossed Second
32 Substitute House Bill No. 1605 (soil contamination). If the bill is
33 not enacted by June 30, 2005, the amount in this subsection shall
34 lapse.

35 (8) \$147,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$146,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely to implement Engrossed Second

1 Substitute House Bill No. 1415 (commercial passenger vessels). If the
2 bill is not enacted by June 30, 2005, the amounts in this subsection
3 shall lapse.

4 (9) As described in section 129(9) of this act, the department
5 shall make recommendations and report on monitoring activities related
6 to salmon recovery.

7 (10) \$4,054,000 of the state toxics control account appropriation
8 is provided solely for methamphetamine lab clean-up activities.

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

15 (12) \$2,500,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$2,000,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for shoreline grants to local
18 governments to implement Substitute Senate Bill No. 6012 (shoreline
19 management), chapter 262, Laws of 2003.

20 (13) Fees approved by the department of ecology in the 2005-07
21 biennium are authorized to exceed the fiscal growth factor under RCW
22 43.135.055.

23 NEW SECTION. **Sec. 303. FOR THE STATE PARKS AND RECREATION**
24 **COMMISSION**

| | | |
|----|---|--------------|
| 25 | General Fund--State Appropriation (FY 2006) | \$32,315,000 |
| 26 | General Fund--State Appropriation (FY 2007) | \$31,239,000 |
| 27 | General Fund--Federal Appropriation | \$2,697,000 |
| 28 | General Fund--Private/Local Appropriation | \$66,000 |
| 29 | Winter Recreation Program Account--State | |
| 30 | Appropriation | \$1,092,000 |
| 31 | Off Road Vehicle Account--State Appropriation | \$189,000 |
| 32 | Snowmobile Account--State Appropriation | \$4,797,000 |
| 33 | Aquatic Lands Enhancement Account--State | |
| 34 | Appropriation | \$340,000 |
| 35 | Public Safety and Education Account--State | |
| 36 | Appropriation | \$47,000 |
| 37 | Parks Renewal and Stewardship Account--State | |

| | | |
|---|--|---------------|
| 1 | Appropriation | \$37,911,000 |
| 2 | Parks Renewal and Stewardship Account--Private/Local | |
| 3 | Appropriation | \$300,000 |
| 4 | TOTAL APPROPRIATION | \$110,993,000 |

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

7 (1) Fees approved by the state parks and recreation commission in
8 the 2005-07 biennium are authorized to exceed the fiscal growth factor
9 under RCW 43.135.055.

10 (2) \$79,000 of the general fund--state appropriation for fiscal
11 year 2006 and \$79,000 of the general fund--state appropriation for
12 fiscal year 2007 are provided solely for a grant for the operation of
13 the Northwest avalanche center.

14 (3) \$191,000 of the aquatic lands enhancement account appropriation
15 is provided solely for the implementation of the Puget Sound
16 conservation and recovery plan and agency action item PRC-02.

17 (4) \$185,000 of the parks renewal and stewardship account--state
18 appropriation is provided solely to develop a plan for public education
19 and interpretation at selected state park sites along the route of the
20 ice age floods from Spokane to the Pacific Ocean.

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

| | | |
|----|--|--------------|
| 23 | General Fund--State Appropriation (FY 2006) | \$1,400,000 |
| 24 | General Fund--State Appropriation (FY 2007) | \$1,410,000 |
| 25 | General Fund--Federal Appropriation | \$18,341,000 |
| 26 | General Fund--Private/Local Appropriation | \$250,000 |
| 27 | Aquatic Lands Enhancement Account--State Appropriation | \$254,000 |
| 28 | Water Quality Account--State Appropriation | \$200,000 |
| 29 | Firearms Range Account--State Appropriation | \$24,000 |
| 30 | Recreation Resources Account--State Appropriation | \$3,006,000 |
| 31 | NOVA Program Account--State Appropriation | \$809,000 |
| 32 | TOTAL APPROPRIATION | \$25,694,000 |

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

35 (1) \$16,025,000 of the general fund--federal appropriation is
36 provided solely for implementation of the forest and fish agreement

1 rules. These funds will be passed through to the department of natural
2 resources and the department of fish and wildlife.

3 (2) As described in section 129(9) of this act, the department
4 shall make recommendations and report on monitoring activities related
5 to salmon recovery.

6 (3) \$125,000 of the general fund--state appropriation for fiscal
7 year 2006 and \$125,000 of the general fund--state appropriation for
8 fiscal year 2007 are provided solely for the biodiversity strategy.

9 (4) \$20,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$20,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided solely for coordination of federal,
12 state, tribal, local, and private aquatic monitoring efforts. The
13 department shall provide a memorandum to the office of financial
14 management and legislative fiscal committees in January of every year
15 which specifies performance measures to reduce redundancy, increase
16 efficiency, and help meet the goals and objectives of the various
17 entities involved in monitoring and if these performance measures were
18 met.

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

| | | |
|----|---|-------------|
| 20 | General Fund--State Appropriation (FY 2006) | \$1,060,000 |
| 21 | General Fund--State Appropriation (FY 2007) | \$1,053,000 |
| 22 | TOTAL APPROPRIATION | \$2,113,000 |

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

| | | |
|----|---|-------------|
| 24 | General Fund--State Appropriation (FY 2006) | \$2,229,000 |
| 25 | General Fund--State Appropriation (FY 2007) | \$2,237,000 |
| 26 | Water Quality Account--State Appropriation | \$4,149,000 |
| 27 | TOTAL APPROPRIATION | \$8,615,000 |

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

30 (1) \$197,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$197,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the implementation of the
33 Puget Sound conservation and recovery plan and agency action item CC-
34 01.

35 (2) As described in section 129(9) of this act, the department

1 shall make recommendations and report on monitoring activities related
2 to salmon recovery.

3 (3) \$100,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$100,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely to implement Substitute House Bill
6 No. 1462 (funding conservation districts). If the bill is not enacted
7 by June 30, 2005, the amounts provided in this section shall lapse.

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

| | | |
|----|---|---------------|
| 9 | General Fund--State Appropriation (FY 2006) | \$43,756,000 |
| 10 | General Fund--State Appropriation (FY 2007) | \$42,622,000 |
| 11 | General Fund--Federal Appropriation | \$41,449,000 |
| 12 | General Fund--Private/Local Appropriation | \$35,329,000 |
| 13 | Off Road Vehicle Account--State Appropriation | \$387,000 |
| 14 | Aquatic Lands Enhancement Account--State | |
| 15 | Appropriation | \$5,710,000 |
| 16 | Public Safety and Education Account--State | |
| 17 | Appropriation | \$566,000 |
| 18 | Recreational Fisheries Enhancement--State | |
| 19 | Appropriation | \$3,481,000 |
| 20 | Warm Water Game Fish Account--State Appropriation | \$2,839,000 |
| 21 | Eastern Washington Pheasant Enhancement | |
| 22 | Account--State Appropriation | \$750,000 |
| 23 | Wildlife Account--State Appropriation | \$57,340,000 |
| 24 | Wildlife Account--Federal Appropriation | \$30,250,000 |
| 25 | Wildlife Account--Private/Local Appropriation | \$10,296,000 |
| 26 | Game Special Wildlife Account--State Appropriation | \$2,119,000 |
| 27 | Game Special Wildlife Account--Federal Appropriation | \$8,799,000 |
| 28 | Game Special Wildlife Account--Private/Local | |
| 29 | Appropriation | \$458,000 |
| 30 | Environmental Excellence Account--State Appropriation | \$15,000 |
| 31 | Regional Fisheries Salmonid Recovery | |
| 32 | Account--Federal Appropriation | \$1,754,000 |
| 33 | Oil Spill Prevention Account--State Appropriation | \$1,010,000 |
| 34 | Recreation Resources Account--State Appropriation | \$36,000 |
| 35 | Oyster Reserve Land Account--State Appropriation | \$411,000 |
| 36 | TOTAL APPROPRIATION | \$289,377,000 |

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

3 (1) \$1,556,714 of the general fund--state appropriation for fiscal
4 year 2006 and \$1,556,713 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for the implementation of the
6 Puget Sound conservation and recovery plan and agency action items DFW-
7 01 through DFW-06, DFW-08 through DFW-12, and DFW-16.

8 (2) As described in section 129(9) of this act, the department
9 shall make recommendations and report on monitoring activities related
10 to salmon recovery.

11 (3) \$225,000 of the general fund--state appropriation for fiscal
12 year 2006, \$225,000 of the general fund--state appropriation for fiscal
13 year 2007, and \$550,000 of the wildlife account--state appropriation
14 are provided solely for the implementation of hatchery reform
15 recommendations defined by the hatchery scientific review group.

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

22 (5) Within funds provided, the department shall make available
23 enforcement and biological staff to respond and take appropriate action
24 to ensure public safety in response to public complaints regarding bear
25 and cougar.

26 (6) The department shall emphasize enforcement of laws related to
27 protection of fish habitat and the illegal harvest of salmon and
28 steelhead. Within the amount provided for the agency, the department
29 shall provide support to the department of health to enforce state
30 shellfish harvest laws.

31 (7) \$180,000 of the wildlife account--state appropriation is
32 provided solely to test deer and elk for chronic wasting disease and to
33 document the extent of swan lead poisoning. Of this amount, \$65,000 is
34 provided solely to document the extent of swan lead poisoning and to
35 begin environmental cleanup.

36 (8) The department shall provide quarterly status reports to the
37 office of financial management regarding the replacement of the

1 Washington interactive licensing system and the implementation of the
2 hydraulic permit management system.

3 (9) Prior to the department entering into any agreement relating to
4 the disposal, sale, lease, or transfer of property identified within
5 the 2003 legislatively authorized report "Thurston county property
6 functions, operations & valuations analysis," the department shall
7 notify the director of financial management and the chairs of the
8 senate committee on ways and means, the house of representatives
9 committee on appropriations, and the house of representatives capital
10 budget committee.

11 (10) The department shall prepare a report detailing the hydraulic
12 permit approval program applications and project types. The department
13 shall coordinate with the office of financial management in determining
14 the contents of the report. At minimum, the report shall include
15 permits by applicant (name, state, local, federal, tribal entity,
16 etc.), project type (pamphlet, minor, medium, major, extension,
17 revision, etc.) and project location (county and water resource
18 inventory area). The department shall submit the report to the office
19 of financial management and legislative fiscal committees no later than
20 September 1, 2006.

21 (11) \$400,000 of the wildlife account--state appropriation is
22 provided solely for information technology and software licenses, which
23 must be compatible with statewide systems and software.

24 (12) \$50,000 of the wildlife account--state appropriation is
25 provided solely for reimbursements for damage to commercial livestock
26 caused by cougars.

27 (13) \$10,000 of the general fund--state appropriation for fiscal
28 year 2006 and \$10,000 of the general fund--state appropriation for
29 fiscal year 2007 are provided solely for chum salmon production at
30 Minter creek hatchery.

31 (14) \$45,000 of the general fund--federal appropriation for fiscal
32 year 2006 and \$45,000 of the general fund--federal appropriation for
33 fiscal year 2007 are provided solely for the management of Canada goose
34 seasons to increase the number of hunting days in southwest Washington.

35 (15) \$46,000 of the wildlife account--state appropriation is
36 provided solely to increase the number of courses providing the hunter
37 education training program created in RCW 77.32.155. The department

1 shall reduce the current backlog of applicants waiting to take the
2 training program and provide for a stable supply of training program
3 courses in order to avoid future backlogs.

4 (16) \$398,000 of the fish and wildlife reward account--state
5 appropriation is provided solely to implement Engrossed Substitute
6 House Bill No. 1696 (fish and wildlife violations). If the bill is not
7 enacted by June 30, 2005, the amount provided in this section shall
8 lapse.

9 (17) \$72,000 of the state wildlife account--state appropriation is
10 provided solely to implement House Bill No. 1211 (multiple season big
11 game permit). If the bill is not enacted by June 30, 2005, the amount
12 provided in this section shall lapse.

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

| | | |
|----|--|--------------|
| 14 | General Fund--State Appropriation (FY 2006) | \$48,209,000 |
| 15 | General Fund--State Appropriation (FY 2007) | \$41,973,000 |
| 16 | General Fund--Federal Appropriation | \$15,073,000 |
| 17 | General Fund--Private/Local Appropriation | \$1,257,000 |
| 18 | Forest Development Account--State Appropriation | \$52,909,000 |
| 19 | Off Road Vehicle Account--State Appropriation | \$3,796,000 |
| 20 | Surveys and Maps Account--State Appropriation | \$2,301,000 |
| 21 | Aquatic Lands Enhancement Account--State | |
| 22 | Appropriation | \$8,234,000 |
| 23 | Resources Management Cost Account--State | |
| 24 | Appropriation | \$73,088,000 |
| 25 | Surface Mining Reclamation Account--State | |
| 26 | Appropriation | \$1,791,000 |
| 27 | Disaster Response Account--State | |
| 28 | Appropriation | \$5,000,000 |
| 29 | Water Quality Account--State Appropriation | \$2,554,000 |
| 30 | Aquatic Land Dredged Material Disposal Site | |
| 31 | Account--State Appropriation | \$647,000 |
| 32 | Natural Resources Conservation Areas Stewardship | |
| 33 | Account--State Appropriation | \$34,000 |
| 34 | State Toxics Control Account--State Appropriation | \$2,155,000 |
| 35 | Air Pollution Control Account--State Appropriation | \$540,000 |
| 36 | Nonhighway and Off Road Vehicle Program | |
| 37 | Account--State Appropriation | \$852,000 |

1 Derelict Vessel Removal Account--State Appropriation . . . \$1,132,000
 2 Agricultural College Trust Management
 3 Account--State Appropriation \$1,903,000
 4 TOTAL APPROPRIATION \$263,448,000

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

7 (1) \$18,000 of the general fund--state appropriation for fiscal
 8 year 2006, \$18,000 of the general fund--state appropriation for fiscal
 9 year 2007, and \$1,652,050 of the aquatic lands enhancement account
 10 appropriation are provided solely for the implementation of the Puget
 11 Sound conservation and recovery plan and agency action items DNR-01 and
 12 DNR-02.

13 (2) As described in section 129(9) of this act, the department
 14 shall make recommendations and report on monitoring activities related
 15 to salmon recovery.

16 (3) \$953,000 of the general fund--state appropriation for fiscal
 17 year 2006 and \$950,000 of the general fund--state appropriation for
 18 fiscal year 2007 are provided solely for deposit into the agricultural
 19 college trust management account and are provided solely to manage
 20 approximately 70,700 acres of Washington State University's
 21 agricultural college trust lands.

22 (4) \$10,635,000 of the general fund--state appropriation for fiscal
 23 year 2006, \$13,635,000 of the general fund--state appropriation for
 24 fiscal year 2007, and \$5,000,000 of the disaster response account--
 25 state appropriation are provided solely for emergency fire suppression.
 26 Of these amounts, up to \$250,000 may be expended for staff and other
 27 necessary resources to design and implement a fire data-collection
 28 system that includes financial- and performance-management information
 29 for fires over 10 acres in size.

30 None of the general fund and disaster response account amounts
 31 provided in this subsection may be used to fund agency indirect and
 32 administrative expenses. Agency indirect and administrative costs
 33 shall be allocated among the agency's remaining accounts and
 34 appropriations.

35 (5) \$138,000 of the resource management cost account--state
 36 appropriation is provided solely to implement Engrossed Second
 37 Substitute House Bill No. 1896 (geoduck harvest). If the bill is not
 38 enacted by June 30, 2005, the amount in the subsection shall lapse.

1 (6) \$582,000 of the aquatic lands enhancement account appropriation
2 is provided solely for spartina control.

3 (7) Fees approved by the board of natural resources in the 2005-07
4 biennium are authorized to exceed the fiscal growth factor under RCW
5 43.135.055.

6 (8) \$9,000,000 of the general fund--state appropriation for fiscal
7 year 2006 and \$2,000,000 of the aquatic lands enhancement account--
8 state appropriation are provided solely for the purposes of settling
9 all claims in *U.S., et al. v. State of Washington, et al.*
10 Subproceeding No. 89-3 (Shellfish), United States District Court for
11 the Western District of Washington at Seattle, Case No. C70-9213. The
12 expenditure of this appropriation is contingent on the release of all
13 claims in this subproceeding. In the event that the federal government
14 does not appropriate \$22,000,000 for this purpose by June 30, 2006,
15 this subsection shall lapse.

16 (9) \$852,000 of the nonhighway and off-road vehicle program
17 account--state appropriation is provided solely for making safety
18 improvements for off-road vehicle recreation on state lands. The
19 department shall develop an implementation plan for off-road
20 vehicle-related signage on state trust lands. The department shall
21 submit this plan by October 1, 2005, to the office of financial
22 management and appropriate committees of the legislature, and report
23 progress on plan implementation to these same entities by March 1,
24 2006, and September 1, 2006.

25 (10) \$2,155,000 of the state toxics account--state appropriation is
26 provided solely for the department to meet its obligations with the
27 U.S. environmental protection agency for the clean-up of Commencement
28 Bay and other sites.

29 (11) \$680,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$1,020,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely to fulfill compliance monitoring
32 commitments expressed in the forest and fish report and to maintain the
33 involvement of technical experts in its implementation. This
34 compliance monitoring has been incorporated into the state's forest
35 practices rules and is part of the habitat conservation plan the state
36 is preparing to obtain federal endangered species act and clean water
37 act assurances.

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

| | | |
|----|---|--------------|
| 2 | General Fund--State Appropriation (FY 2006) | \$11,923,000 |
| 3 | General Fund--State Appropriation (FY 2007) | \$11,124,000 |
| 4 | General Fund--Federal Appropriation | \$10,280,000 |
| 5 | General Fund--Private/Local Appropriation | \$410,000 |
| 6 | Aquatic Lands Enhancement Account--State | |
| 7 | Appropriation | \$1,968,000 |
| 8 | Water Quality Account--State Appropriation | \$949,000 |
| 9 | State Toxics Control Account--State Appropriation | \$3,367,000 |
| 10 | Water Quality Permit Account--State Appropriation | \$238,000 |
| 11 | TOTAL APPROPRIATION | \$40,259,000 |

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

14 (1) \$37,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$37,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided solely for implementation of the Puget
17 Sound conservation and recovery plan and agency action item WSDA-01.

18 (2) Fees and assessments approved by the department in the 2005-07
19 biennium are authorized to exceed the fiscal growth factor under RCW
20 43.135.055.

21 (3) \$750,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$750,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely to research and develop new hop
24 harvesting technologies and for associated pilot projects.

25 (4) \$12,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$13,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely for indemnity payments for poultry
28 that are ordered by the department to be slaughtered or destroyed.

29 (5) \$500,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$500,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely for market promotion and trade
32 barrier grants.

33 (6) \$75,000 of the general fund--state appropriation for fiscal
34 year 2006 and \$75,000 of the general fund--state appropriation for
35 fiscal year 2007 are provided solely for the small farm and direct
36 marketing program.

37 (7) \$466,000 of the general fund--state appropriation for fiscal

1 year 2006 is provided solely to complete a database application that
2 would consolidate program information and enable the department to more
3 effectively respond to a food safety or animal disease emergency.

4 (8) \$100,000 of the general fund--state appropriation for fiscal
5 year 2006 is provided solely for a study of the economic impact of
6 agriculture and fairs in Washington.

7 (9) Within funds appropriated in this section, the department, in
8 addition to the authority provided in RCW 17.26.007, may enter into
9 agreements with federal agencies to eradicate spartina from private
10 lands that may provide a source of reinfestation to public lands.

11 (10) \$200,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$200,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely to implement the Washington wine
14 brand campaign.

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

17 Pollution Liability Insurance Program Trust
18 Account--State Appropriation \$849,000

(End of part)

PART IV
TRANSPORTATION

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

| | | |
|----|--|--------------|
| 4 | General Fund--State Appropriation (FY 2006) | \$1,784,000 |
| 5 | General Fund--State Appropriation (FY 2007) | \$1,532,000 |
| 6 | Architects' License Account--State Appropriation | \$717,000 |
| 7 | Cemetery Account--State Appropriation | \$220,000 |
| 8 | Professional Engineers' Account--State Appropriation | \$3,082,000 |
| 9 | Real Estate Commission Account--State Appropriation | \$7,362,000 |
| 10 | Master License Account--State Appropriation | \$11,343,000 |
| 11 | Uniform Commercial Code Account--State Appropriation | \$2,851,000 |
| 12 | Real Estate Education Account--State Appropriation | \$275,000 |
| 13 | Real Estate Appraiser Commission | |
| 14 | Account--State Appropriation | \$1,146,000 |
| 15 | Business and Professions Account--State Appropriation | \$7,927,000 |
| 16 | Real Estate Research Account--State Appropriation | \$301,000 |
| 17 | Funeral Directors and Embalmers | |
| 18 | Account--State Appropriation | \$523,000 |
| 19 | Geologists' Account--State Appropriation | \$34,000 |
| 20 | Data Processing Revolving Account--State Appropriation | \$29,000 |
| 21 | Derelict Vessel Removal Account--State Appropriation | \$31,000 |
| 22 | TOTAL APPROPRIATION | \$39,157,000 |

(1) The appropriations in this section are subject to the following conditions and limitations: In accordance with RCW 43.24.086, it is the policy of the state of Washington that the cost of each professional, occupational, or business licensing program be fully borne by the members of that profession, occupation, or business. For each licensing program covered by RCW 43.24.086, the department shall set fees at levels sufficient to fully cover the cost of administering the licensing program, including any costs associated with policy enhancements funded in the 2005-07 fiscal biennium. Pursuant to RCW 43.135.055, during the 2005-07 fiscal biennium, the department may increase fees in excess of the fiscal growth factor if the increases are necessary to fully fund the costs of the licensing programs.

1 (2) \$3,759,000 of the business and professions account--state
 2 appropriation for fiscal year 2006 and \$3,296,000 of the business and
 3 professions account--state appropriation for fiscal year 2007 are
 4 contingent on enactment of Substitute House Bill No. 1394 (business and
 5 professions account). If the bill is not enacted by June 30, 2005,
 6 these appropriations shall be made from the general fund.

7 (3) \$834,000 of the master license account--state appropriation for
 8 fiscal year 2006 and \$819,000 of the master license account--state
 9 appropriation for fiscal year 2007 are subject to enactment of House
 10 Bill No. 2131 (master licensing service). If the bill is not enacted
 11 by June 30, 2005, the amounts provided in this subsection shall lapse.

12 (4) \$34,000 of the general fund--state appropriation for fiscal
 13 year 2006 are subject to enactment of House Bill No. 1241 (vehicle
 14 licensing and registration). If the bill is not enacted by June 30,
 15 2005, the amount provided in this subsection shall lapse.

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

| | | |
|----|--|--------------|
| 17 | General Fund--State Appropriation (FY 2006) | \$35,336,000 |
| 18 | General Fund--State Appropriation (FY 2007) | \$29,668,000 |
| 19 | General Fund--Federal Appropriation | \$4,269,000 |
| 20 | General Fund--Private/Local Appropriation | \$582,000 |
| 21 | Death Investigations Account--State Appropriation | \$5,439,000 |
| 22 | Public Safety and Education Account--State | |
| 23 | Appropriation | \$4,283,000 |
| 24 | Enhanced 911 Account--State Appropriation | \$572,000 |
| 25 | County Criminal Justice Assistance | |
| 26 | Account--State Appropriation | \$2,790,000 |
| 27 | Municipal Criminal Justice Assistance | |
| 28 | Account--State Appropriation | \$1,123,000 |
| 29 | Fire Service Trust Account--State Appropriation | \$131,000 |
| 30 | Fire Service Training Account--State Appropriation | \$7,476,000 |
| 31 | State Toxics Control Account--State Appropriation | \$450,000 |
| 32 | Violence Reduction and Drug Enforcement | |
| 33 | Account--State Appropriation | \$300,000 |
| 34 | Fingerprint Identification | |
| 35 | Account--State Appropriation | \$6,120,000 |

| | | |
|---|--|--------------|
| 1 | DNA Data Base Account--State Appropriation | \$150,000 |
| 2 | TOTAL APPROPRIATION | \$98,689,000 |

(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 2006) | \$12,803,000 |
| General Fund--State Appropriation (FY 2007) | \$12,395,000 |
| General Fund--Federal Appropriation | \$29,784,000 |
| TOTAL APPROPRIATION | \$54,982,000 |

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

(a) \$10,621,000 of the general fund--state appropriation for fiscal year 2006 and \$10,513,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2006 and \$428,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(c) \$509,000 of the general fund--state appropriation for fiscal year 2006 and \$504,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the Washington professional educator standards board. Within the

1 amounts provided in this subsection, the Washington professional
2 educator standards board shall pursue the implementation of recent
3 study recommendations including: (i) Revision of teacher mathematics
4 endorsement competencies and alignment of teacher tests to the updated
5 competencies, and (ii) development of mathematics specialist
6 endorsement.

7 (d) \$200,000 of the general fund--state appropriation for fiscal
8 year 2006 is provided solely for increased attorney general fees
9 related to *School Districts' Alliance for Adequate Funding of Special*
10 *Education et al. v. State of Washington et al.*, Thurston County
11 Superior Court Cause No. 04-2-02000-7.

12 (e) \$950,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$950,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for replacement of the
15 apportionment system, which includes the processes that collect school
16 district budget and expenditure information, staffing characteristics,
17 and the student enrollments that drive the funding process.

18 (f)(i) \$45,000 of the general fund--state appropriation for fiscal
19 year 2006 is provided solely for the office of the superintendent of
20 public instruction and the department of health to collaborate and
21 develop a work group to assess school nursing services in class I
22 school districts. The work group shall consult with representatives
23 from the following groups: School nurses, schools, students, parents,
24 teachers, health officials, and administrators. The work group shall:

25 (A) Study the need for additional school nursing services by
26 gathering data about current school nurse-to-student ratios in each
27 class I school district and assessing the demand for school nursing
28 services by acuity levels and the necessary skills to meet those
29 demands. The work group also shall recommend to the legislature best
30 practices in school nursing services, including a dedicated,
31 sustainable funding model that would best meet the current and future
32 needs of Washington's schools and contribute to greater academic
33 success of all students. The work group shall make recommendations for
34 school nursing services, and may examine school nursing services by
35 grade level. The work group shall assess whether funding for school
36 nurses should continue as part of basic education; and

37 (B) In collaboration with managed care plans that contract with the
38 department of social and health services medical assistance

1 administration to provide health services to children participating in
2 the medicaid and state children's health insurance program, identify
3 opportunities to improve coordination of and access to health services
4 for low-income children through the use of school nurse services. The
5 work group shall evaluate the feasibility of pooling school district
6 and managed care plan funding to finance school nurse positions in
7 school districts with high numbers of low-income children.

8 (ii) The office of superintendent of public instruction shall
9 report the work group's findings and plans for implementation to the
10 legislature by February 1, 2006.

11 (g) \$50,000 of the general fund--state appropriation for fiscal
12 year 2006 is appropriated for transfer into the financial literacy
13 public-private partnership account under RCW 28A.300.465. The funds
14 are provided to equally match funding from nonstate sources for the
15 support of the partnership, financial literacy opportunities for
16 students, and financial literacy professional development opportunities
17 for teachers.

18 (2) STATEWIDE PROGRAMS

| | | |
|----|---|--------------|
| 19 | General Fund--State Appropriation (FY 2006) | \$10,283,000 |
| 20 | General Fund--State Appropriation (FY 2007) | \$10,295,000 |
| 21 | General Fund--Federal Appropriation | \$47,465,000 |
| 22 | TOTAL APPROPRIATION | \$68,043,000 |

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

26 (a) HEALTH AND SAFETY

27 (i) A maximum of \$2,541,000 of the general fund--state
28 appropriation for fiscal year 2006 and a maximum of \$2,541,000 of the
29 general fund--state appropriation for fiscal year 2007 are provided for
30 a corps of nurses located at educational service districts, as
31 determined by the superintendent of public instruction, to be
32 dispatched to the most needy schools to provide direct care to
33 students, health education, and training for school staff.

34 (ii) A maximum of \$96,000 of the general fund--state appropriation
35 for fiscal year 2006 and a maximum of \$96,000 of the general fund--
36 state appropriation for fiscal year 2007 are provided for the school
37 safety center in the office of the superintendent of public instruction
38 subject to the following conditions and limitations:

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

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

13 (iii) A maximum of \$100,000 of the general fund--state
14 appropriation for fiscal year 2006 and a maximum of \$100,000 of the
15 general fund--state appropriation for fiscal year 2007 are provided for
16 a school safety training program provided by the criminal justice
17 training commission. The commission, in collaboration with the school
18 safety center advisory committee, shall provide the school safety
19 training for all school administrators and school safety personnel,
20 including school safety personnel hired after the effective date of
21 this section.

22 (iv) \$11,600,000 of the general fund--federal appropriation is
23 provided for safe and drug free schools and communities grants for drug
24 and violence prevention activities and strategies.

25 (v) A maximum of \$146,000 of the general fund--state appropriation
26 for fiscal year 2006 and a maximum of \$146,000 of the general fund--
27 state appropriation for fiscal year 2007 are provided for a nonviolence
28 and leadership training program provided by the institute for community
29 leadership. The program shall provide a request for proposal process,
30 with up to 80 percent funding, for nonviolence leadership workshops
31 serving at least 12 school districts with direct programming in 36
32 elementary, middle, and high schools throughout Washington state.

33 (b) TECHNOLOGY

34 A maximum of \$1,939,000 of the general fund--state appropriation
35 for fiscal year 2006 and a maximum of \$1,939,000 of the general fund--
36 state appropriation for fiscal year 2007 are provided for K-20
37 telecommunications network technical support in the K-12 sector to
38 prevent system failures and avoid interruptions in school utilization

1 of the data processing and video-conferencing capabilities of the
2 network. These funds may be used to purchase engineering and advanced
3 technical support for the network.

4 (c) GRANTS AND ALLOCATIONS

5 (i) \$787,000 of the fiscal year 2006 appropriation and \$799,000 of
6 the fiscal year 2007 appropriation are provided solely for the special
7 services pilot projects. The office of the superintendent of public
8 instruction shall allocate these funds to the district or districts
9 participating in the pilot program according to the provisions of RCW
10 28A.630.015.

11 (ii) A maximum of \$1,097,000 of the general fund--state
12 appropriation for fiscal year 2006 and a maximum of \$1,097,000 of the
13 general fund--state appropriation for fiscal year 2007 are provided for
14 alternative certification routes. Funds may be used by the
15 professional educator standards board to continue existing alternative-
16 route grant programs and to create new alternative-route programs in
17 regions of the state with service shortages.

18 (iii) A maximum of \$31,000 of the general fund--state appropriation
19 for fiscal year 2006 and a maximum of \$31,000 of the general fund--
20 state appropriation for fiscal year 2007 are provided for operation of
21 the Cispus environmental learning center.

22 (iv) A maximum of \$1,224,000 of the general fund--state
23 appropriation for fiscal year 2006 and a maximum of \$1,224,000 of the
24 general fund--state appropriation for fiscal year 2007 are provided for
25 in-service training and educational programs conducted by the Pacific
26 Science Center.

27 (v) A maximum of \$1,079,000 of the general fund--state
28 appropriation for fiscal year 2006 and a maximum of \$1,079,000 of the
29 general fund--state appropriation for fiscal year 2007 are provided for
30 the Washington state leadership assistance for science education reform
31 (LASER) regional partnership coordinated at the Pacific Science Center.

32 (vi) A maximum of \$97,000 of the general fund--state appropriation
33 for fiscal year 2006 and a maximum of \$97,000 of the general fund--
34 state appropriation for fiscal year 2007 are provided to support
35 vocational student leadership organizations.

36 (vii) A maximum of \$146,000 of the general fund--state
37 appropriation for fiscal year 2006 and a maximum of \$146,000 of the

1 general fund--state appropriation for fiscal year 2007 are provided for
2 the Washington civil liberties education program.

3 (viii) \$1,000,000 of the general fund--state appropriation for
4 fiscal year 2006 and \$1,000,000 of the general fund--state
5 appropriation for fiscal year 2007 are provided solely for the
6 Washington state achievers scholarship program. The funds shall be
7 used to support community involvement officers that recruit, train, and
8 match community volunteer mentors with students selected as achievers
9 scholars.

10 (ix) \$1,521,000 of the general fund--federal appropriation is
11 provided for the advanced placement fee program to increase
12 opportunities for low-income students and under-represented populations
13 to participate in advanced placement courses and to increase the
14 capacity of schools to provide advanced placement courses to students.

15 (x) \$8,292,000 of the general fund--federal appropriation is
16 provided for comprehensive school reform demonstration projects to
17 provide grants to low-income schools for improving student achievement
18 through adoption and implementation of research-based curricula and
19 instructional programs.

20 (xi) \$19,587,000 of the general fund--federal appropriation is
21 provided for 21st century learning center grants, providing after-
22 school and inter-session activities for students.

23 NEW SECTION. **Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC**
24 **INSTRUCTION--FOR GENERAL APPORTIONMENT**

| | | |
|----|---|-----------------|
| 25 | General Fund--State Appropriation (FY 2006) | \$4,185,121,000 |
| 26 | General Fund--State Appropriation (FY 2007) | \$4,238,010,000 |
| 27 | TOTAL APPROPRIATION | \$8,423,131,000 |

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

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

33 (2) Allocations for certificated staff salaries for the 2005-06 and
34 2006-07 school years shall be determined using formula-generated staff
35 units calculated pursuant to this subsection. Staff allocations for
36 small school enrollments in (d) through (f) of this subsection shall be
37 reduced for vocational full-time equivalent enrollments. Staff

1 allocations for small school enrollments in grades K-6 shall be the
2 greater of that generated under (a) of this subsection, or under (d)
3 and (e) of this subsection. Certificated staffing allocations shall be
4 as follows:

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

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

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

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

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

20 (A) Funds provided under this subsection (2)(a)(iv) in excess of
21 the amount required to maintain the statutory minimum ratio established
22 under RCW 28A.150.260(2)(b) shall be allocated only if the district
23 documents an actual ratio in grades K-4 equal to or greater than 53.2
24 certificated instructional staff per thousand full-time equivalent
25 students. For any school district documenting a lower certificated
26 instructional staff ratio, the allocation shall be based on the
27 district's actual grades K-4 certificated instructional staff ratio
28 achieved in that school year, or the statutory minimum ratio
29 established under RCW 28A.150.260(2)(b), if greater;

30 (B) Districts at or above 51.0 certificated instructional staff per
31 one thousand full-time equivalent students in grades K-4 may dedicate
32 up to 1.3 of the 53.2 funding ratio to employ additional classified
33 instructional assistants assigned to basic education classrooms in
34 grades K-4. For purposes of documenting a district's staff ratio under
35 this section, funds used by the district to employ additional
36 classified instructional assistants shall be converted to a
37 certificated staff equivalent and added to the district's actual

1 certificated instructional staff ratio. Additional classified
2 instructional assistants, for the purposes of this subsection, shall be
3 determined using the 1989-90 school year as the base year;

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

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

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

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

27 (B) Skills center programs meeting the standards for skills center
28 funding established in January 1999 by the superintendent of public
29 instruction, 0.92 certificated instructional staff units and 0.08
30 certificated administrative units for each 16.67 full-time equivalent
31 vocational students;

32 (ii) Vocational full-time equivalent enrollment shall be reported
33 on the same monthly basis as the enrollment for students eligible for
34 basic support, and payments shall be adjusted for reported vocational
35 enrollments on the same monthly basis as those adjustments for
36 enrollment for students eligible for basic support; and

37 (iii) Indirect cost charges by a school district to vocational-

1 secondary programs shall not exceed 15 percent of the combined basic
2 education and vocational enhancement allocations of state funds;

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

9 (i) For those enrolling no students in grades 7 and 8, 1.76
10 certificated instructional staff units and 0.24 certificated
11 administrative staff units for enrollment of not more than five
12 students, plus one-twentieth of a certificated instructional staff unit
13 for each additional student enrolled; and

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

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

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

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

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

35 (i) For remote and necessary schools enrolling students in any
36 grades 9-12 but no more than twenty-five average annual full-time
37 equivalent students in grades K-12, four and one-half certificated

1 instructional staff units and one-quarter of a certificated
2 administrative staff unit;

3 (ii) For all other small high schools under this subsection, nine
4 certificated instructional staff units and one-half of a certificated
5 administrative staff unit for the first sixty average annual full time
6 equivalent students, and additional staff units based on a ratio of
7 0.8732 certificated instructional staff units and 0.1268 certificated
8 administrative staff units per each additional forty-three and one-half
9 average annual full time equivalent students.

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

14 (g) For each nonhigh school district having an enrollment of more
15 than seventy annual average full-time equivalent students and less than
16 one hundred eighty students, operating a grades K-8 program or a grades
17 1-8 program, an additional one-half of a certificated instructional
18 staff unit; and

19 (h) For each nonhigh school district having an enrollment of more
20 than fifty annual average full-time equivalent students and less than
21 one hundred eighty students, operating a grades K-6 program or a grades
22 1-6 program, an additional one-half of a certificated instructional
23 staff unit.

24 (3) Allocations for classified salaries for the 2005-06 and 2006-07
25 school years shall be calculated using formula-generated classified
26 staff units determined as follows:

27 (a) For enrollments generating certificated staff unit allocations
28 under subsection (2)(d) through (h) of this section, one classified
29 staff unit for each three certificated staff units allocated under such
30 subsections;

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

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

1 (4) Fringe benefit allocations shall be calculated at a rate of
2 11.21 percent in the 2005-06 school year and 11.73 percent in the 2006-
3 07 school year for certificated salary allocations provided under
4 subsection (2) of this section, and a rate of 14.08 percent in the
5 2005-06 school year and 15.08 percent in the 2006-07 school year for
6 classified salary allocations provided under subsection (3) of this
7 section.

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

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

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

19 (6)(a) For nonemployee-related costs associated with each
20 certificated staff unit allocated under subsection (2)(a), (b), and (d)
21 through (h) of this section, there shall be provided a maximum of
22 \$9,112 per certificated staff unit in the 2005-06 school year and a
23 maximum of \$9,285 per certificated staff unit in the 2006-07 school
24 year.

25 (b) For nonemployee-related costs associated with each vocational
26 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
27 section, there shall be provided a maximum of \$22,377 per certificated
28 staff unit in the 2005-06 school year and a maximum of \$22,802 per
29 certificated staff unit in the 2006-07 school year.

30 (c) For nonemployee-related costs associated with each vocational
31 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
32 section, there shall be provided a maximum of \$17,362 per certificated
33 staff unit in the 2005-06 school year and a maximum of \$17,692 per
34 certificated staff unit in the 2006-07 school year.

35 (7) Allocations for substitute costs for classroom teachers shall
36 be distributed at a maintenance rate of \$531.09 for the 2005-06 and
37 2006-07 school years per allocated classroom teachers exclusive of
38 salary increase amounts provided in section 504 of this act. Solely

1 for the purposes of this subsection, allocated classroom teachers shall
2 be equal to the number of certificated instructional staff units
3 allocated under subsection (2) of this section, multiplied by the ratio
4 between the number of actual basic education certificated teachers and
5 the number of actual basic education certificated instructional staff
6 reported statewide for the prior school year.

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

16 (9) The superintendent may distribute a maximum of \$7,621,000
17 outside the basic education formula during fiscal years 2006 and 2007
18 as follows:

19 (a) For fire protection for school districts located in a fire
20 protection district as now or hereafter established pursuant to chapter
21 52.04 RCW, a maximum of \$513,000 may be expended in fiscal year 2006
22 and a maximum of \$523,000 may be expended in fiscal year 2007;

23 (b) For summer vocational programs at skills centers, a maximum of
24 \$2,035,000 may be expended for the 2006 fiscal year and a maximum of
25 \$2,035,000 for the 2007 fiscal year;

26 (c) A maximum of \$365,000 may be expended for school district
27 emergencies;

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

34 (e) \$394,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$787,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely for incentive grants to encourage
37 school districts to increase enrollment in vocational skills centers.
38 Up to \$500 for each full-time equivalent student may be proportionally

1 distributed to a school district or school districts increasing skills
2 centers enrollment above the levels in the 2004-05 school year. The
3 office of the superintendent of public instruction shall develop
4 criteria for awarding incentive grants pursuant to this subsection.
5 The total amount allocated pursuant to this subsection shall be limited
6 to \$1,181,000 for the 2005-07 biennium.

7 (10) For purposes of RCW 84.52.0531, the increase per full-time
8 equivalent student is 5.2 percent from the 2004-05 school year to the
9 2005-06 school year and 3.4 percent from the 2005-06 school year to the
10 2006-07 school year.

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

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

19 (b) For the fourth through eighth school years following
20 consolidation, the difference between the basic education formula staff
21 units received by the districts for the school year prior to
22 consolidation and the basic education formula staff units after
23 consolidation pursuant to subsection (2)(a) through (h) of this section
24 shall be reduced in increments of twenty percent per year.

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

31 (a) Salary allocations for certificated instructional staff units
32 shall be determined for each district by multiplying the district's
33 certificated instructional total base salary shown on LEAP Document 12E
34 by the district's average staff mix factor for certificated
35 instructional staff in that school year, computed using LEAP Document
36 1Sb; and

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

(2) For the purposes of this section:

(a) "LEAP Document 1Sb" means the computerized tabulation establishing staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on March 18, 2005, at 10:00 hours; and

(b) "LEAP Document 12E" means the computerized tabulation of 2005-06 and 2006-07 school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on April 6, 2005, at 10:00 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 10.57 percent for school year 2005-06 and 11.09 percent for school year 2006-07 for certificated staff and for classified staff 10.58 percent for school year 2005-06 and 11.58 percent for the 2006-07 school year.

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

K-12 Salary Allocation Schedule For Certificated Instructional Staff
2005-06 School Year

| Years of Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | MA+90 or PHD |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
| 0 | 30,383 | 31,204 | 32,054 | 32,906 | 35,640 | 37,401 | 36,426 | 39,161 | 40,924 |
| 1 | 30,792 | 31,624 | 32,485 | 33,375 | 36,137 | 37,889 | 36,831 | 39,594 | 41,345 |
| 2 | 31,181 | 32,022 | 32,892 | 33,850 | 36,605 | 38,375 | 37,239 | 39,994 | 41,764 |
| 3 | 31,583 | 32,431 | 33,311 | 34,299 | 37,049 | 38,861 | 37,626 | 40,373 | 42,187 |
| 4 | 31,977 | 32,862 | 33,747 | 34,770 | 37,536 | 39,361 | 38,031 | 40,796 | 42,623 |
| 5 | 32,384 | 33,273 | 34,167 | 35,247 | 38,002 | 39,864 | 38,442 | 41,199 | 43,061 |
| 6 | 32,802 | 33,672 | 34,596 | 35,729 | 38,472 | 40,344 | 38,864 | 41,607 | 43,478 |
| 7 | 33,536 | 34,420 | 35,356 | 36,551 | 39,334 | 41,258 | 39,655 | 42,437 | 44,362 |

| | | | | | | | | | | |
|---|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | 8 | 34,612 | 35,543 | 36,502 | 37,796 | 40,616 | 42,611 | 40,899 | 43,720 | 45,714 |
| 2 | 9 | | 36,707 | 37,713 | 39,054 | 41,940 | 44,002 | 42,156 | 45,044 | 47,106 |
| 3 | 10 | | | 38,938 | 40,376 | 43,301 | 45,432 | 43,479 | 46,405 | 48,535 |
| 4 | 11 | | | | 41,737 | 44,726 | 46,900 | 44,840 | 47,830 | 50,003 |
| 5 | 12 | | | | 43,055 | 46,189 | 48,428 | 46,255 | 49,292 | 51,532 |
| 6 | 13 | | | | | 47,688 | 49,993 | 47,720 | 50,791 | 53,096 |
| 7 | 14 | | | | | 49,194 | 51,618 | 49,227 | 52,396 | 54,721 |
| 8 | 15 | | | | | 50,474 | 52,961 | 50,507 | 53,758 | 56,144 |
| 9 | 16 or more | | | | | 51,483 | 54,019 | 51,517 | 54,833 | 57,266 |

K-12 Salary Allocation Schedule For Certificated Instructional Staff

2006-07 School Year

| 12 | Years of | | | | | | | | | | MA+90 |
|----|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| 13 | Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | or PHD | |
| 14 | 0 | 30,900 | 31,735 | 32,599 | 33,466 | 36,247 | 38,038 | 37,046 | 39,827 | 41,620 | |
| 15 | 1 | 31,316 | 32,162 | 33,038 | 33,942 | 36,752 | 38,534 | 37,458 | 40,268 | 42,048 | |
| 16 | 2 | 31,712 | 32,566 | 33,451 | 34,426 | 37,228 | 39,028 | 37,873 | 40,674 | 42,475 | |
| 17 | 3 | 32,121 | 32,983 | 33,878 | 34,883 | 37,679 | 39,523 | 38,266 | 41,060 | 42,905 | |
| 18 | 4 | 32,521 | 33,421 | 34,321 | 35,362 | 38,174 | 40,031 | 38,678 | 41,491 | 43,348 | |
| 19 | 5 | 32,935 | 33,840 | 34,748 | 35,846 | 38,649 | 40,543 | 39,097 | 41,900 | 43,794 | |
| 20 | 6 | 33,360 | 34,245 | 35,185 | 36,337 | 39,127 | 41,031 | 39,526 | 42,315 | 44,218 | |
| 21 | 7 | 34,107 | 35,005 | 35,957 | 37,173 | 40,003 | 41,960 | 40,330 | 43,159 | 45,116 | |
| 22 | 8 | 35,201 | 36,148 | 37,123 | 38,439 | 41,307 | 43,336 | 41,594 | 44,464 | 46,492 | |
| 23 | 9 | | 37,332 | 38,355 | 39,718 | 42,654 | 44,751 | 42,873 | 45,810 | 47,908 | |
| 24 | 10 | | | 39,601 | 41,063 | 44,038 | 46,205 | 44,219 | 47,194 | 49,361 | |
| 25 | 11 | | | | 42,448 | 45,487 | 47,698 | 45,603 | 48,644 | 50,853 | |
| 26 | 12 | | | | 43,788 | 46,975 | 49,252 | 47,042 | 50,131 | 52,409 | |
| 27 | 13 | | | | | 48,499 | 50,844 | 48,532 | 51,655 | 54,000 | |
| 28 | 14 | | | | | 50,031 | 52,496 | 50,065 | 53,287 | 55,652 | |
| 29 | 15 | | | | | 51,333 | 53,862 | 51,366 | 54,673 | 57,099 | |
| 30 | 16 or more | | | | | 52,359 | 54,938 | 52,393 | 55,766 | 58,241 | |

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

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be

1 counted after the masters degree. Thus, as used in this subsection,
2 the column headings "MA+(N)" refer to the total of:

3 (i) Credits earned since receiving the masters degree; and

4 (ii) Any credits in excess of forty-five credits that were earned
5 after the baccalaureate degree but before the masters degree.

6 (5) For the purposes of this section:

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

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

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

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

12 (e) "Credits" means college quarter hour credits and equivalent in-
13 service credits computed in accordance with RCW 28A.415.020 and
14 28A.415.023.

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

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

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

23 (7) The certificated instructional staff base salary specified for
24 each district in LEAP Document 12E and the salary schedules in
25 subsection (4)(a) of this section include two learning improvement
26 days. A school district is eligible for the learning improvement day
27 funds only if the learning improvement days have been added to the 180-
28 day contract year. If fewer days are added, the additional learning
29 improvement allocation shall be adjusted accordingly. The additional
30 days shall be limited to specific activities identified in the state
31 required school improvement plan related to improving student learning
32 that are consistent with education reform implementation, and shall not
33 be considered part of basic education. The principal in each school
34 shall assure that the days are used to provide the necessary school-
35 wide, all staff professional development that is tied directly to the
36 school improvement plan. The school principal and the district
37 superintendent shall maintain documentation as to their approval of
38 these activities. The length of a learning improvement day shall not

1 be less than the length of a full day under the base contract. The
2 superintendent of public instruction shall ensure that school districts
3 adhere to the intent and purposes of this subsection.

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

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

| | | |
|----|---|---------------|
| 9 | General Fund--State Appropriation (FY 2006) | \$85,904,000 |
| 10 | General Fund--State Appropriation (FY 2007) | \$178,245,000 |
| 11 | General Fund--Federal Appropriation | \$1,171,000 |
| 12 | TOTAL APPROPRIATION | \$265,320,000 |

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

15 (1) \$135,598,000 is provided for a cost of living adjustment of 1.2
16 percent effective September 1, 2005, and another 1.7 percent effective
17 September 1, 2006, for state formula staff units. The appropriations
18 include associated incremental fringe benefit allocations at rates of
19 10.57 percent for the 2005-06 school year and 11.09 percent for the
20 2006-07 school year for certificated staff and 10.58 percent for the
21 2005-06 school year and 11.58 percent for the 2006-07 school year for
22 classified staff.

23 (a) The appropriations in this section include the increased
24 portion of salaries and incremental fringe benefits for all relevant
25 state-funded school programs in part V of this act. Increases for
26 general apportionment (basic education) are based on the salary
27 allocation schedules and methodology in sections 502 and 503 of this
28 act. Increases for special education result from increases in each
29 district's basic education allocation per student. Increases for
30 educational service districts and institutional education programs are
31 determined by the superintendent of public instruction using the
32 methodology for general apportionment salaries and benefits in sections
33 502 and 503 of this act.

34 (b) The appropriations in this section provide cost of living and
35 incremental fringe benefit allocations based on formula adjustments as
36 follows:

| | School Year | |
|---|-------------|---------|
| | 2005-06 | 2006-07 |
| Pupil Transportation (per weighted pupil mile) | \$0.27 | \$0.67 |
| Highly Capable (per formula student) | \$2.96 | \$7.25 |
| Transitional Bilingual Education (per eligible bilingual student) | \$7.94 | \$19.41 |
| Learning Assistance (per formula student) | \$1.75 | \$4.29 |

(c) The appropriations in this section include \$251,000 for fiscal year 2006 and \$676,000 for fiscal year 2007 for salary increase adjustments for substitute teachers.

(2) \$129,722,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$582.47 per month for the 2005-06 and 2006-07 school years. The appropriations in this section provide for a rate increase to \$643.63 per month for the 2005-06 school year and \$665 per month for the 2006-07 school year. The adjustments to health insurance benefit allocations are at the following rates:

| | School Year | |
|---|-------------|---------|
| | 2005-06 | 2006-07 |
| Pupil Transportation (per weighted pupil mile) | \$0.56 | \$0.75 |
| Highly Capable (per formula student) | \$3.74 | \$5.08 |
| Transitional Bilingual Education (per eligible bilingual student) | \$9.91 | \$13.36 |
| Learning Assistance (per formula student) | \$2.03 | \$2.74 |

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

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

| | |
|---|---------------|
| General Fund--State Appropriation (FY 2006) | \$241,771,000 |
| General Fund--State Appropriation (FY 2007) | \$247,868,000 |
| TOTAL APPROPRIATION | \$489,639,000 |

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

(1) Each general fund fiscal year appropriation includes such funds

1 as are necessary to complete the school year ending in the fiscal year
2 and for prior fiscal year adjustments.

3 (2) A maximum of \$796,000 of this fiscal year 2006 appropriation
4 and a maximum of \$812,000 of the fiscal year 2007 appropriation may be
5 expended for regional transportation coordinators and related
6 activities. The transportation coordinators shall ensure that data
7 submitted by school districts for state transportation funding shall,
8 to the greatest extent practical, reflect the actual transportation
9 activity of each district.

10 (3) \$5,000 of the fiscal year 2006 appropriation and \$5,000 of the
11 fiscal year 2007 appropriation are provided solely for the
12 transportation of students enrolled in "choice" programs.
13 Transportation shall be limited to low-income students who are
14 transferring to "choice" programs solely for educational reasons.

15 (4) Allocations for transportation of students shall be based on
16 reimbursement rates of \$41.40 per weighted mile in the 2005-06 school
17 year and \$41.85 per weighted mile in the 2006-07 school year exclusive
18 of salary and benefit adjustments provided in section 504 of this act.
19 Allocations for transportation of students transported more than one
20 radius mile shall be based on weighted miles as determined by
21 superintendent of public instruction multiplied by the per mile
22 reimbursement rates for the school year pursuant to the formulas
23 adopted by the superintendent of public instruction. Allocations for
24 transportation of students living within one radius mile shall be based
25 on the number of enrolled students in grades kindergarten through five
26 living within one radius mile of their assigned school multiplied by
27 the per mile reimbursement rate for the school year multiplied by 1.29.

28 (5) For busses purchased between July 1, 2005, and June 30, 2007,
29 the office of superintendent of public instruction shall provide
30 reimbursement funding to a school district only after the
31 superintendent of public instruction determines that the school bus was
32 purchased from the list established pursuant to RCW 28A.160.195(2) or
33 a comparable competitive bid process based on the lowest price quote
34 based on similar bus categories to those used to establish the list
35 pursuant to RCW 28A.160.195. The competitive specifications shall meet
36 federal motor vehicle safety standards, minimum state specifications as
37 established by rule by the superintendent, and supported options as

1 determined by the superintendent in consultation with the regional
2 transportation coordinators of the educational service districts.

3 (6) Beginning with the 2005-06 school year, the superintendent of
4 public instruction shall base depreciation payments for school district
5 buses on the five-year average of lowest bids in the appropriate
6 category of bus. In the final year on the depreciation schedule, the
7 depreciation payment shall be based on the current state price. The
8 superintendent may include a weighting or other adjustment factor in
9 the averaging formula to ease the transition from the current-price
10 depreciation system to the average depreciation system. Prior to
11 making any depreciation payment in the 2005-06 school year, the
12 superintendent shall notify the office of financial management and the
13 fiscal committees of the legislature of the specific depreciation
14 formula to be used. The replacement cost shall be based on the lowest
15 bid in the appropriate bus category for that school year. A maximum of
16 \$50,000 of the fiscal year 2006 appropriation may be expended for
17 software programming costs associated with the implementation of this
18 subsection.

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

| | | |
|----|---|---------------|
| 21 | General Fund--State Appropriation (FY 2006) | \$3,147,000 |
| 22 | General Fund--State Appropriation (FY 2007) | \$3,159,000 |
| 23 | General Fund--Federal Appropriation | \$288,774,000 |
| 24 | TOTAL APPROPRIATION | \$295,080,000 |

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

27 (1) \$3,000,000 of the general fund--state appropriation for fiscal
28 year 2006 and \$3,000,000 of the general fund--state appropriation for
29 fiscal year 2007 are provided for state matching money for federal
30 child nutrition programs.

31 (2) \$100,000 of the general fund--state appropriation for fiscal
32 year 2006 and \$100,000 of the 2007 fiscal year appropriation are
33 provided for summer food programs for children in low-income areas.

34 (3) \$47,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$59,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely to reimburse school districts for
37 school breakfasts served to students enrolled in the free or reduced

1 price meal program pursuant to House Bill No. 1771 (requiring school
2 breakfast programs in certain schools). If House Bill No. 1771 is not
3 enacted by June 30, 2005, the amounts provided in this subsection shall
4 lapse.

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

| | | |
|----|---|-----------------|
| 7 | General Fund--State Appropriation (FY 2006) | \$474,566,000 |
| 8 | General Fund--State Appropriation (FY 2007) | \$482,565,000 |
| 9 | General Fund--Federal Appropriation | \$435,462,000 |
| 10 | TOTAL APPROPRIATION | \$1,392,593,000 |

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

13 (1) Funding for special education programs is provided on an excess
14 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
15 that special education students as a class receive their full share of
16 the general apportionment allocation accruing through sections 502 and
17 504 of this act. To the extent a school district cannot provide an
18 appropriate education for special education students under chapter
19 28A.155 RCW through the general apportionment allocation, it shall
20 provide services through the special education excess cost allocation
21 funded in this section.

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

- 26 (i) Special education students are basic education students first;
- 27 (ii) As a class, special education students are entitled to the
28 full basic education allocation; and
- 29 (iii) Special education students are basic education students for
30 the entire school day.

31 (b) The S-275 and accounting changes in effect since the 2001-02
32 school year shall supercede any prior excess cost methodologies and
33 shall be required of all school districts.

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

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

9 (5)(a) For the 2005-06 and 2006-07 school years, the superintendent
10 shall make allocations to each district based on the sum of:

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

15 (ii) A district's annual average full-time equivalent basic
16 education enrollment multiplied by the funded enrollment percent
17 determined pursuant to subsection (6)(b) of this section, multiplied by
18 the district's average basic education allocation per full-time
19 equivalent student multiplied by 0.9309.

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

24 (6) The definitions in this subsection apply throughout this
25 section.

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

32 (b) "Enrollment percent" means the district's resident special
33 education annual average enrollment, excluding the birth through age
34 two enrollment, as a percent of the district's annual average full-time
35 equivalent basic education enrollment.

36 Each district's general fund--state funded special education
37 enrollment shall be the lesser of the district's actual enrollment
38 percent or 12.7 percent.

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

10 (8) To the extent necessary, \$54,400,000 of the general fund--state
11 appropriation and \$28,698,000 of the general fund--federal
12 appropriation are provided for safety net awards for districts with
13 demonstrated needs for special education funding beyond the amounts
14 provided in subsection (5) of this section. If safety net awards
15 exceed the amount appropriated in this subsection (8), the
16 superintendent shall expend all available federal discretionary funds
17 necessary to meet this need. Safety net funds shall be awarded by the
18 state safety net oversight committee subject to the following
19 conditions and limitations:

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

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

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

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

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

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

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

10 (a) One staff from the office of superintendent of public
11 instruction;

12 (b) Staff of the office of the state auditor who shall be nonvoting
13 members of the committee; and

14 (c) One or more representatives from school districts or
15 educational service districts knowledgeable of special education
16 programs and funding.

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

22 (12) A maximum of \$1,000,000 of the general fund--federal
23 appropriation is provided for projects to provide special education
24 students with appropriate job and independent living skills, including
25 work experience where possible, to facilitate their successful
26 transition out of the public school system. The funds provided by this
27 subsection shall be from federal discretionary grants.

28 (13) The superintendent shall maintain the percentage of federal
29 flow-through to school districts at 85 percent. In addition to other
30 purposes, school districts may use increased federal funds for high-
31 cost students, for purchasing regional special education services from
32 educational service districts, and for staff development activities
33 particularly relating to inclusion issues.

34 (14) A maximum of \$1,200,000 of the general fund--federal
35 appropriation may be expended by the superintendent for projects
36 related to use of inclusion strategies by school districts for
37 provision of special education services.

1 (15) \$1,400,000 of the general fund--federal appropriation shall be
2 expended for one-time grants to school districts for the start-up costs
3 of implementing web-based programs that assist schools in meeting state
4 and federal requirements regarding individualized education plans.

5 (16) The superintendent, consistent with the new federal IDEA
6 reauthorization, shall continue to educate school districts on how to
7 implement a birth-to-three program and review the cost effectiveness
8 and learning benefits of early intervention.

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

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

| | | |
|----|---|-------------|
| 15 | General Fund--State Appropriation (FY 2006) | \$3,691,000 |
| 16 | General Fund--State Appropriation (FY 2007) | \$3,711,000 |
| 17 | TOTAL APPROPRIATION | \$7,402,000 |

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

20 (1) The educational service districts shall continue to furnish
21 financial services required by the superintendent of public instruction
22 and RCW 28A.310.190 (3) and (4).

23 (2) The educational service districts, at the request of the state
24 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
25 receive and screen applications for school accreditation, conduct
26 school accreditation site visits pursuant to state board of education
27 rules, and submit to the state board of education post-site visit
28 recommendations for school accreditation. The educational service
29 districts may assess a cooperative service fee to recover actual plus
30 reasonable indirect costs for the purposes of this subsection.

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

| | | |
|----|---|---------------|
| 33 | General Fund--State Appropriation (FY 2006) | \$167,003,000 |
| 34 | General Fund--State Appropriation (FY 2007) | \$169,080,000 |
| 35 | TOTAL APPROPRIATION | \$336,083,000 |

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

| | | |
|---|---|--------------|
| 3 | General Fund--State Appropriation (FY 2006) | \$19,111,000 |
| 4 | General Fund--State Appropriation (FY 2007) | \$19,667,000 |
| 5 | TOTAL APPROPRIATION | \$38,778,000 |

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

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

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

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

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

23 (5) \$219,000 of the general fund--state appropriation for fiscal
24 year 2006 and \$219,000 of the general fund--state appropriation for
25 fiscal year 2007 are provided solely to maintain at least one
26 certificated instructional staff and related support services at an
27 institution whenever the K-12 enrollment is not sufficient to support
28 one full-time equivalent certificated instructional staff to furnish
29 the educational program. The following types of institutions are
30 included: Residential programs under the department of social and
31 health services for developmentally disabled juveniles, programs for
32 juveniles under the department of corrections, and programs for
33 juveniles under the juvenile rehabilitation administration.

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

36 NEW SECTION. **Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC**

1 **INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

| | | |
|---|---|--------------|
| 2 | General Fund--State Appropriation (FY 2006) | \$6,870,000 |
| 3 | General Fund--State Appropriation (FY 2007) | \$6,922,000 |
| 4 | TOTAL APPROPRIATION | \$13,792,000 |

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

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

10 (2) Allocations for school district programs for highly capable
11 students shall be distributed at a maximum rate of \$347.93 per funded
12 student for the 2005-06 school year and \$349.10 per funded student for
13 the 2006-07 school year, exclusive of salary and benefit adjustments
14 pursuant to section 504 of this act. The number of funded students
15 shall be a maximum of two percent of each district's full-time
16 equivalent basic education enrollment.

17 (3) \$170,000 of the fiscal year 2006 appropriation and \$170,000 of
18 the fiscal year 2007 appropriation are provided for the centrum program
19 at Fort Worden state park.

20 (4) \$90,000 of the fiscal year 2006 appropriation and \$90,000 of
21 the fiscal year 2007 appropriation are provided for the Washington
22 destination imagination network and future problem-solving programs.

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

| | | |
|----|---|--------------|
| 26 | General Fund--Federal Appropriation | \$22,084,000 |
|----|---|--------------|

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

| | | |
|----|---|---------------|
| 29 | General Fund--State Appropriation (FY 2006) | \$39,960,000 |
| 30 | General Fund--State Appropriation (FY 2007) | \$37,749,000 |
| 31 | General Fund--Federal Appropriation | \$123,264,000 |
| 32 | TOTAL APPROPRIATION | \$200,973,000 |

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

35 (1) ASSESSMENT

1 \$19,810,000 of the general fund--state appropriation for fiscal
2 year 2006, \$16,105,000 of the general fund--state appropriation for
3 fiscal year 2007, and \$16,111,000 of the general fund--federal
4 appropriation are provided solely for development and implementation of
5 the Washington assessments of student learning (WASL), including
6 development and implementation of retake assessments for high school
7 students who are not successful in one or more content areas of the
8 WASL and development of alternative assessments or appeals procedures
9 to implement the certificate of academic achievement. Within these
10 amounts, the superintendent of public instruction shall contract for
11 the early return of 10th grade student WASL results, on or around June
12 10th of each year.

13 (2) PROFESSIONAL DEVELOPMENT

14 (a) \$548,000 of the fiscal year 2006 general fund--state
15 appropriation and \$548,000 of the fiscal year 2007 general fund--state
16 appropriation are provided solely for training of paraprofessional
17 classroom assistants and certificated staff who work with classroom
18 assistants as provided in RCW 28A.415.310.

19 (b) \$2,348,000 of the general fund--state appropriation for fiscal
20 year 2006 and \$2,348,000 of the general fund--state appropriation for
21 fiscal year 2007 are provided solely for mentor teacher assistance,
22 including state support activities, under RCW 28A.415.250 and
23 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
24 this subsection may be used each fiscal year to operate a mentor
25 academy to help districts provide effective training for peer mentors.
26 Funds for the teacher assistance program shall be allocated to school
27 districts based on the number of first year beginning teachers.

28 (c) \$705,000 of the general fund--state appropriation for fiscal
29 year 2006 and \$705,000 of the general fund--state appropriation for
30 fiscal year 2007 are provided solely for the leadership internship
31 program for superintendents, principals, and program administrators.

32 (d) \$3,010,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$4,018,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for salary bonuses for teachers
35 who attain certification by the national board for professional
36 teaching standards, subject to the following conditions and
37 limitations:

1 (i) Teachers who hold a valid certificate from the national board
2 during the 2005-06 or 2006-07 school years shall receive an annual
3 bonus not to exceed \$3,500 in each of these school years in which they
4 hold a national board certificate.

5 (ii) The annual bonus shall be paid in a lump sum amount and shall
6 not be included in the definition of "earnable compensation" under RCW
7 41.32.010(10).

8 (e) \$90,399,000 of the general fund--federal appropriation is
9 provided for preparing, training, and recruiting high quality teachers
10 and principals under Title II of the no child left behind act.

11 (3) SCHOOL IMPROVEMENT

12 (a) \$363,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$363,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for a principal support program.
15 The office of the superintendent of public instruction may contract
16 with an independent organization to administer the program. The
17 program shall include: (i) Development of an individualized
18 professional growth plan for a new principal or principal candidate;
19 and (ii) participation of a mentor principal who works over a period of
20 between one and three years with the new principal or principal
21 candidate to help him or her build the skills identified as critical to
22 the success of the professional growth plan. Within the amounts
23 provided, \$50,000 per year shall be used to support additional
24 participation of secondary principals.

25 (b) \$3,046,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$3,046,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely to the office of the
28 superintendent of public instruction for focused assistance. The
29 office of the superintendent of public instruction shall conduct
30 educational audits of low-performing schools and enter into performance
31 agreements between school districts and the office to implement the
32 recommendations of the audit and the community. Each educational audit
33 shall include recommendations for best practices and ways to address
34 identified needs and shall be presented to the community in a public
35 meeting to seek input on ways to implement the audit and its
36 recommendations.

37 (c) \$1,000,000 of the general fund--state appropriation for fiscal
38 year 2006 and \$1,000,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely to match funding provided by a
2 nonprofit foundation to expand the focused assistance program to high
3 schools and school districts.

4 (d) A maximum of \$250,000 of the general fund--state appropriation
5 for fiscal year 2006 and a maximum of \$250,000 of the general fund--
6 state appropriation for fiscal year 2007 are provided for summer
7 accountability institutes offered by the superintendent of public
8 instruction. The institutes shall provide school district staff with
9 training in the analysis of student assessment data, information
10 regarding successful district and school teaching models, research on
11 curriculum and instruction, and planning tools for districts to improve
12 instruction in reading, mathematics, language arts, social studies,
13 including civics, and guidance and counseling. The superintendent of
14 public instruction shall emphasize issues of high school reform and
15 mathematics instruction when offering summer institute programs
16 supported by funds provided in this subsection.

17 (e) \$515,000 of the general fund--state appropriation for fiscal
18 year 2006 and \$515,000 of the general fund--state appropriation for
19 fiscal year 2007 are provided for the evaluation of reading and
20 mathematics textbooks, other instructional materials, and diagnostic
21 tools to determine the extent to which they are aligned with the state
22 standards. A scorecard of the analysis shall be made available to
23 school districts. The superintendent shall also develop and
24 disseminate information on essential components of comprehensive,
25 school-based math and reading programs and shall develop and
26 disseminate grade level expectations for reading and math which shall
27 include professional development modules and web-based materials.

28 (f) \$1,764,000 of the general fund--state appropriation for fiscal
29 year 2006 and \$1,764,000 of the general fund--state appropriation for
30 fiscal year 2007 are provided solely for the mathematics helping corps
31 subject to the following conditions and limitations:

32 (i) In order to increase the availability and quality of technical
33 mathematics assistance statewide, the superintendent of public
34 instruction shall employ mathematics school improvement specialists to
35 provide assistance to schools and districts. The specialists shall be
36 hired by and work under the direction of a statewide school improvement
37 coordinator. The mathematics improvement specialists shall not be
38 permanent employees of the superintendent of public instruction.

1 (ii) The school improvement specialists shall provide the
2 following:

3 (A) Assistance to schools to disaggregate student performance data
4 and develop improvement plans based on those data;

5 (B) Consultation with schools and districts concerning their
6 performance on the Washington assessment of student learning and other
7 assessments emphasizing the performance on the mathematics assessments;

8 (C) Consultation concerning curricula that aligns with the
9 essential academic learning requirements emphasizing the academic
10 learning requirements for mathematics, the Washington assessment of
11 student learning, and meets the needs of diverse learners;

12 (D) Assistance in the identification and implementation of
13 research-based instructional practices in mathematics;

14 (E) Staff training that emphasizes effective instructional
15 strategies and classroom-based assessment for mathematics;

16 (F) Assistance in developing and implementing family and community
17 involvement programs emphasizing mathematics; and

18 (G) Other assistance to schools and school districts intended to
19 improve student mathematics learning.

20 (g) \$500,000 of the general fund--state appropriation for fiscal
21 year 2006 and \$500,000 of the general fund--state appropriation for
22 fiscal year 2007 are provided solely for the improvement of reading
23 achievement and implementation of research-based reading models. The
24 superintendent shall evaluate reading curriculum programs and other
25 instructional materials to determine the extent to which they are
26 aligned with state standards. A report of the analyses shall be made
27 available to school districts. The superintendent shall report to
28 districts the assessments that are available to screen and diagnose
29 reading difficulties, and shall provide training on how to implement a
30 reading assessment system. Resources may also be used to disseminate
31 grade level expectations and develop professional development modules
32 and web-based materials. Half of the funding shall be used to develop
33 regional leadership capacity to implement the state K-12 reading model
34 and assessment system in areas of the state with the greatest need for
35 assistance.

36 (h) \$500,000 of the general fund--state appropriation for fiscal
37 year 2007 is provided solely for the districts to purchase and

1 implement reading diagnostic assessments. The superintendent shall
2 distribute funds based on K-5 enrollment, but districts are not
3 restricted to using funds for K-5.

4 (i) \$16,758,000 of the general fund--federal appropriation is
5 provided for the reading first program under Title I of the no child
6 left behind act.

7 (4) STUDENT SUPPORTS

8 (a) \$2,500,000 of the general fund--state appropriation for fiscal
9 year 2006 and \$2,500,000 of the general fund--state appropriation for
10 fiscal year 2007 are provided solely for the meals for kids program
11 under RCW 28A.235.145 through 28A.235.155.

12 (b) \$260,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$260,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for an early reading grant program
15 for community-based initiatives that develop prereading and early
16 reading skills through parental and community involvement, public
17 awareness, coordination of resources, and partnerships with local
18 school districts. Grant awards shall include funding for one-time
19 start up costs for local affiliates and a one-time partial payment of
20 school district dues to local affiliates of up to 30 percent of the per
21 student dues amount. Grant applications shall include:

22 (i) Strategies for parental involvement emphasizing ages birth to
23 five and outreach to diverse communities;

24 (ii) Evidence of collaboration with, and support from, local school
25 districts, and how the activities funded in the grant are complementary
26 to the reading improvement efforts of local school districts;

27 (iii) A plan for community participation and coordination of
28 resources including in-kind and financial support by public and private
29 sector partners;

30 (iv) Measurable goals and evaluation methodology to determine
31 impact;

32 (v) Integration of reading strategies from the Washington state
33 early learning and development benchmarks;

34 (vi) A plan for marketing and public relations;

35 (vii) Strategies for sustaining the program when grant funding is
36 no longer available; and

37 (viii) Evidence of district commitment to reading improvement,
38 aligned curriculum, progress monitoring, and time-on-task.

1 (c) \$850,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$850,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for the Washington reading corps.
4 The superintendent shall allocate reading corps members to low
5 performing schools and school districts that are implementing
6 comprehensive, proven, research-based reading programs. Two or more
7 schools may combine their Washington reading corps programs. Grants
8 provided under this section may be used by school districts for
9 expenditures from September 2005 through August 31, 2007.

10 (5) TECHNOLOGY

11 (a) \$1,959,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$1,959,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely for improving technology
14 infrastructure, monitoring and reporting on school district technology
15 development, promoting standards for school district technology,
16 promoting statewide coordination and planning for technology
17 development, and providing regional educational technology support
18 centers, including state support activities, under chapter 28A.650 RCW.
19 The superintendent of public instruction shall coordinate a process to
20 facilitate the evaluation and provision of online curriculum courses to
21 school districts which includes the following: Creation of a general
22 listing of the types of available online curriculum courses; a survey
23 conducted by each regional educational technology support center of
24 school districts in its region regarding the types of online curriculum
25 courses desired by school districts; a process to evaluate and
26 recommend to school districts the best online courses in terms of
27 curriculum, student performance, and cost; and assistance to school
28 districts in procuring and providing the courses to students.

29 (b) \$126,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$126,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided for the development and posting of web-
32 based instructional tools, assessment data, and other information that
33 assists schools and teachers implementing higher academic standards.

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

| | | |
|----|---|--------------|
| 36 | General Fund--State Appropriation (FY 2006) | \$59,791,000 |
| 37 | General Fund--State Appropriation (FY 2007) | \$63,496,000 |

1 General Fund--Federal Appropriation \$45,561,000
 2 TOTAL APPROPRIATION \$168,848,000

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

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

8 (2) The superintendent shall distribute a maximum of \$759.58 per
 9 eligible bilingual student in the 2005-06 school year and \$762.69 in
 10 the 2006-07 school year, exclusive of salary and benefit adjustments
 11 provided in section 504 of this act.

12 (3) The superintendent may withhold up to 1.5 percent of the school
 13 year allocations to school districts in subsection (2) of this section,
 14 and adjust the per eligible pupil rates in subsection (2) of this
 15 section accordingly, solely for the central provision of assessments as
 16 provided in RCW 28A.180.090 (1) and (2).

17 (4) \$70,000 of the amounts appropriated in this section are
 18 provided solely to develop a system for the tracking of current and
 19 former transitional bilingual program students.

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

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

26 General Fund--State Appropriation (FY 2006) \$77,647,000
 27 General Fund--State Appropriation (FY 2007) \$82,617,000
 28 General Fund--Federal Appropriation \$343,227,000
 29 TOTAL APPROPRIATION \$503,491,000

30 (1) The general fund--state appropriations in this section are
 31 subject to the following conditions and limitations:

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

35 (b) Funding for school district learning assistance programs shall
 36 be allocated at maximum rates of \$191.60 per funded student for the

1 2005-06 school year and \$192.77 per funded student for the 2006-07
2 school year exclusive of salary and benefit adjustments provided under
3 section 504 of this act.

4 (c) A school district's funded students for the learning assistance
5 program shall be the sum of the following as appropriate:

6 (i) The district's full-time equivalent enrollment in grades K-12
7 for the prior school year times the district's percentage of October
8 headcount enrollment in grades K-12 eligible for free or reduced price
9 lunch in the prior school year; and

10 (ii) If, in the prior school year, the district's percentage of
11 October headcount enrollment in grades K-12 eligible for free or
12 reduced price lunch exceeded forty percent, subtract forty percent from
13 the district's percentage and multiply the result by the district's K-
14 12 annual average full-time equivalent enrollment for the prior school
15 year.

16 (d) In addition to amounts allocated in (b) and (c) of this
17 subsection, an additional amount shall be allocated to a school
18 district for each school year in which the district's allocation is
19 less than the amount the district received for the general fund--state
20 learning assistance program allocation in the 2004-05 school year. The
21 amount of the allocation in this section shall be sufficient to
22 maintain the 2004-05 school year allocation.

23 (2) Increases in a school district's allocation above the 2004-05
24 school year level shall be directed to grades nine through twelve.
25 Districts are encouraged to offer remediation courses in the summer for
26 students who fail the tenth grade WASL.

27 (3) The general fund--federal appropriation in this section is
28 provided for Title I Part A allocations of the no child left behind act
29 of 2001.

30 (4) Small school districts are encouraged to make the most
31 efficient use of the funding provided by using regional educational
32 service district cooperatives to hire staff, provide professional
33 development activities, and implement reading and mathematics programs
34 consistent with research-based guidelines provided by the office of the
35 superintendent of public instruction.

36 (5) A school district may carry over from one year to the next up
37 to 10 percent of the general fund--state funds allocated under this

1 program; however, carryover funds shall be expended for the learning
2 assistance program.

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

5 Student Achievement Account--State Appropriation \$629,356,000

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

8 (1) Funding for school district student achievement programs shall
9 be allocated at a maximum rate of \$300.00 per FTE student for the 2005-
10 06 school year and \$375.00 per FTE student for the 2006-07 school year.
11 For the purposes of this section and in accordance with RCW 84.52.068,
12 FTE student refers to the annual average full-time equivalent
13 enrollment of the school district in grades kindergarten through twelve
14 for the prior school year.

15 (2) The appropriation is allocated for the following uses as
16 specified in RCW 28A.505.210:

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

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

22 (c) To provide extended learning opportunities to improve student
23 academic achievement in grades K-12, including, but not limited to,
24 extended school year, extended school day, before-and-after-school
25 programs, special tutoring programs, weekend school programs, summer
26 school, and all-day kindergarten;

27 (d) To provide additional professional development for educators
28 including additional paid time for curriculum and lesson redesign and
29 alignment, training to ensure that instruction is aligned with state
30 standards and student needs, reimbursement for higher education costs
31 related to enhancing teaching skills and knowledge, and mentoring
32 programs to match teachers with skilled, master teachers. The funding
33 shall not be used for salary increases or additional compensation for
34 existing teaching duties, but may be used for extended year and
35 extended day teaching contracts;

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

1 (f) To provide improvements or additions to school building
2 facilities which are directly related to the class size reductions and
3 extended learning opportunities under (a) through (c) of this
4 subsection (2).

5 (3) The superintendent of public instruction shall distribute the
6 school year allocation according to the monthly apportionment schedule
7 defined in RCW 28A.510.250.

8 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
9 **ADJUSTMENTS.** State general fund and state student achievement fund
10 appropriations provided to the superintendent of public instruction for
11 state entitlement programs in the public schools in this part V of this
12 act may be expended as needed by the superintendent for adjustments to
13 apportionment for prior fiscal periods. Recoveries of state general
14 fund moneys from school districts and educational service districts for
15 a prior fiscal period shall be made as reductions in apportionment
16 payments for the current fiscal period and shall be shown as prior year
17 adjustments on apportionment reports for the current period. Such
18 recoveries shall not be treated as revenues to the state, but as a
19 reduction in the amount expended against the appropriation for the
20 current fiscal period.

21 NEW SECTION. **Sec. 518. FOR THE SUPERINTENDENT OF PUBLIC**
22 **INSTRUCTION.** Appropriations made in this act to the office of
23 superintendent of public instruction shall initially be allotted as
24 required by this act. Subsequent allotment modifications shall not
25 include transfers of moneys between sections of this act.

(End of part)

PART VI
HIGHER EDUCATION

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

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

8 (2)(a) The salary increases provided or referenced in this
9 subsection and described in sections 946 through 977 of this act shall
10 be the only allowable salary increases provided at institutions of
11 higher education, excluding increases associated with normally
12 occurring promotions and increases related to faculty and professional
13 staff retention, and excluding increases associated with employees
14 under the jurisdiction of chapter 41.56 RCW pursuant to the provisions
15 of RCW 28B.16.015 and 28B.50.874(1).

16 (b) For employees under the jurisdiction of chapter 41.56 RCW
17 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1), salary
18 increases will be in accordance with the applicable collective
19 bargaining agreement. However, an increase shall not be provided to
20 any classified employee whose salary is above the approved salary range
21 maximum for the class to which the employee's position is allocated.

22 (c) Each institution of higher education receiving appropriations
23 for salary increases under sections 604 through 609 of this act may
24 provide additional salary increases from other sources to instructional
25 and research faculty, exempt professional staff, teaching and research
26 assistants, as classified by the office of financial management, and
27 all other nonclassified staff, but not including employees under RCW
28 28B.16.015. Any additional salary increase granted under the authority
29 of this subsection (2)(c) shall not be included in an institution's
30 salary base for future state funding. It is the intent of the
31 legislature that general fund--state support for an institution shall
32 not increase during the current or any future biennium as a result of
33 any salary increases authorized under this subsection (2)(c).

34 (d) The legislature, the office of financial management, and other
35 state agencies need consistent and accurate personnel data from

1 institutions of higher education for policy planning purposes.
2 Institutions of higher education shall report personnel data to the
3 department of personnel for inclusion in the department's data
4 warehouse. Uniform reporting procedures shall be established by the
5 department of personnel for use by the reporting institutions,
6 including provisions for common job classifications and common
7 definitions of full-time equivalent staff. Annual contract amounts,
8 number of contract months, and funding sources shall be consistently
9 reported for employees under contract.

10 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
11 full-time students at the state's institutions of higher education for
12 the 2005-06 and 2006-07 academic years, other than the summer term,
13 shall be adjusted by the governing boards of the state universities,
14 regional universities, The Evergreen State College, and the state board
15 for community and technical colleges. Tuition fees may be increased in
16 excess of the fiscal growth factor under RCW 43.135.055.

17 For the 2005-06 academic year, the governing boards of the state
18 universities may implement an increase no greater than seven percent
19 over tuition fees charged to full-time resident undergraduate students
20 for the 2004-05 academic year. The governing boards of the regional
21 universities and The Evergreen State College may implement an increase
22 no greater than six percent over tuition fees charged to full-time
23 resident undergraduate students for the 2004-05 academic year. The
24 state board for community and technical colleges may implement an
25 increase no greater than five percent over tuition fees charged to
26 full-time resident students for the 2004-05 academic year.

27 For the 2006-07 academic year, the governing boards of the state
28 universities may implement an increase no greater than seven percent
29 over tuition fees charged to full-time resident undergraduate students
30 for the 2005-06 academic year. The governing boards of the regional
31 universities and The Evergreen State College may implement an increase
32 no greater than six percent over tuition fees charged to full-time
33 resident undergraduate students for the 2005-06 academic year. The
34 state board for community and technical colleges may implement an
35 increase no greater than five percent over tuition fees charged to
36 full-time resident students for the 2005-06 academic year.

37 (4) For the 2005-07 biennium, the state board for community and

1 technical colleges may increase tuition fees differentially based on
2 student credit hour load at their discretion.

3 (5) For the 2005-07 biennium, the governing boards and the state
4 board may adjust full-time operating fees for factors that may include
5 time of day and day of week, as well as delivery method and campus, to
6 encourage full use of the state's educational facilities and resources.

7 (6) Technical colleges may increase their building fee in excess of
8 the fiscal growth factor until parity is reached with the community
9 colleges.

10 (7) In addition to waivers granted under the authority of RCW
11 28B.15.910, the governing boards and the state board may waive all or
12 a portion of operating fees for any student. State general fund
13 appropriations shall not be provided to replace tuition and fee revenue
14 foregone as a result of waivers granted under this subsection.

15 (8) Pursuant to RCW 43.135.055, institutions of higher education
16 receiving appropriations under sections 603 through 609 of this act are
17 authorized to increase summer term tuition in excess of the fiscal
18 growth factor during the 2005-07 biennium. Tuition levels increased
19 pursuant to this subsection shall not exceed the per credit hour rate
20 calculated from the academic year tuition levels adopted under this
21 act.

22 (9) Pursuant to RCW 43.135.055, community and technical colleges
23 are authorized to increase services and activities fee charges in
24 excess of the fiscal growth factor during the 2005-2007 biennium. The
25 services and activities fee charges increased pursuant to this
26 subsection shall not exceed the maximum level authorized by the state
27 board for community and technical colleges.

28 (10) Pursuant to RCW 43.135.055, the governing boards of the state
29 universities, regional universities, and The Evergreen State College
30 are authorized to increase application fees in excess of the fiscal
31 growth factor during the 2005-2007 biennium. The application fee
32 levels increased pursuant to this subsection shall not exceed fifty
33 dollars per application.

34 NEW SECTION. **Sec. 602.** (1) The appropriations in sections 603
35 through 609 of this act provide state general fund support for full-
36 time equivalent student enrollments at each institution of higher

1 education. Listed below are the annual full-time equivalent student
2 enrollments by institutions assumed in this act.

| | 2005-06 | 2006-07 |
|---|---------|---------|
| | Annual | Annual |
| | Average | Average |
| 3 University of Washington | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 Main campus | 33,107 | 33,357 |
| 9 Bothell branch | 1,377 | 1,615 |
| 10 Tacoma branch | 1,681 | 1,944 |
| 11 | | |
| 12 Washington State University | | |
| 13 | | |
| 14 Main campus | 18,780 | 19,080 |
| 15 Tri-Cities branch | 675 | 700 |
| 16 Vancouver branch | 1,378 | 1,728 |
| 17 | | |
| 18 Central Washington University | 8,449 | 8,899 |
| 19 Eastern Washington University | 8,719 | 9,169 |
| 20 The Evergreen State College | 4,058 | 4,183 |
| 21 Western Washington University | 11,564 | 11,764 |
| 22 State Board for Community and Technical Colleges | 131,293 | 133,980 |
| 23 | | |

24 (2) For the state universities, the number of full-time equivalent
25 student enrollments enumerated in this section for the branch campuses
26 are the minimum required enrollment levels for those campuses. At the
27 start of an academic year, the governing board of a state university
28 may transfer full-time equivalent student enrollments from the main
29 campus to one or more branch campus. Intent notice shall be provided
30 to the office of financial management and reassignment of funded
31 enrollment is contingent upon satisfying data needs of the forecast
32 division who is responsible to track and monitor state-supported
33 college enrollment.

34 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**

1 **TECHNICAL COLLEGES**

| | | |
|---|--|-----------------|
| 2 | General Fund--State Appropriation (FY 2006) | \$562,889,000 |
| 3 | General Fund--State Appropriation (FY 2007) | \$571,694,000 |
| 4 | Administrative Contingency Account--State | |
| 5 | Appropriation | \$2,950,000 |
| 6 | Higher Education Legacy Trust--State Appropriation | \$58,339,000 |
| 7 | TOTAL APPROPRIATION | \$1,195,872,000 |

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

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

13 (2) \$539,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$540,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for the displaced homemakers
16 program.

17 (3) Access to baccalaureate and graduate degree programs continues
18 to be limited for residents of North Snohomish, Island, and Skagit
19 counties. The higher education consortium created to serve the region
20 has not been able to successfully address the region's access needs.
21 The university center model of service delivery, centered on a
22 community college campus with a single point of accountability, has
23 proven more effective in developing degree programs and attracting
24 students.

25 Therefore, the management and leadership responsibility for
26 consortium operations are assigned to Everett community college.
27 Everett community college shall collaborate with community and business
28 leaders, other local community colleges, the public four-year
29 institutions of higher education, and the higher education coordinating
30 board to develop an educational plan for the North Snohomish, Island,
31 and Skagit county region based on the university center model.

32 (4) \$50,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$50,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for higher education student child
35 care matching grants under chapter 28B.135 RCW.

36 (5) \$28,761,000 of the general fund--state appropriation for fiscal
37 year 2006 and \$28,761,000 of the general fund--state appropriation for
38 fiscal year 2007 are provided solely as special funds for training and

1 related support services, including financial aid, as specified in
2 chapter 226, Laws of 1993 (employment and training for unemployed
3 workers). Funding is provided to support up to 6,200 full-time
4 equivalent students in each fiscal year.

5 (6) \$2,500,000 of the higher education legacy trust appropriation
6 for fiscal year 2006 and \$2,500,000 of the higher education legacy
7 trust appropriation for fiscal year 2007 are provided solely for basic
8 skills education at community and technical colleges and community-
9 based providers. These funds may be used to align or integrate adult
10 basic education and English as a second language courses with
11 vocational training.

12 (7) The appropriations for higher education employee compensation
13 increases provided or referenced in this section and described in
14 sections 946 through 977 of this act are estimated to increase the
15 total per student funding by \$324 during the 2005-2007 biennium. This
16 increase in total per student funding is in addition to the tuition
17 revenues that will be generated and retained by the community and
18 technical colleges as a result of the tuition increases that are
19 authorized in section 601 of this act. Given these increases in core
20 funding, the state board for community and technical colleges shall, by
21 June 30, 2007, show demonstrable progress toward achieving the
22 following six-year programmatic goals:

23 (a) Increase the number of academic students who are eligible to
24 transfer to baccalaureate institutions;

25 (b) Increase the number of students prepared for work; and

26 (c) Increase the number of basic skills students who demonstrate
27 substantive skill gain.

28 Specific six-year targets for the goals stated in this subsection
29 shall be established by the state board and the office of financial
30 management and shall be determined based on the per student funding
31 level assumed in this act.

32 The state board for community and technical colleges shall provide
33 a summary of the progress and ongoing efforts toward meeting the
34 provisions of this section to the governor and the appropriate fiscal
35 and policy committees of the legislature prior to November 1, 2006.

36 (8) \$13,165,000 of the higher education legacy trust appropriation
37 for fiscal year 2006 and \$27,675,000 of the higher education legacy

1 trust appropriation for fiscal year 2007 are provided to increase
2 budgeted enrollments by 2,438 student FTEs in academic year 2006 and an
3 additional 2,687 student FTEs in academic year 2007.

4 (9) \$2,250,000 of the higher education legacy trust appropriation
5 for fiscal year 2006 and \$2,250,000 of the higher education legacy
6 trust appropriation for fiscal year 2007 are provided solely to
7 increase salaries and related benefits for part-time faculty. A
8 college district may match the state funds with local revenue. The
9 board shall report by January 30, 2006, to the office of financial
10 management and the appropriate fiscal and policy committees of the
11 legislature on (a) the distribution of state funds, and (b) wage
12 adjustments for part-time faculty.

13 (10) \$2,250,000 of the higher education legacy trust appropriation
14 for fiscal year 2006 and \$2,250,000 of the higher education legacy
15 trust appropriation for fiscal year 2007 are provided solely for
16 faculty salary increments and associated benefits and may be used in
17 combination with salary and benefit savings from faculty turnover to
18 provide salary increments and associated benefits for faculty who
19 qualify through professional development and training. To the extent
20 general salary increase funding is used to pay faculty increments, the
21 general salary increase shall be reduced by the same amount.

22 NEW SECTION. **Sec. 604. FOR THE UNIVERSITY OF WASHINGTON**

| | | |
|----|--|---------------|
| 23 | General Fund--State Appropriation (FY 2006) | \$341,066,000 |
| 24 | General Fund--State Appropriation (FY 2007) | \$348,766,000 |
| 25 | General Fund--Private/Local Appropriation | \$300,000 |
| 26 | Accident Account--State Appropriation | \$6,219,000 |
| 27 | Medical Aid Account--State Appropriation | \$6,153,000 |
| 28 | Higher Education Legacy Trust--State Appropriation | \$18,991,000 |
| 29 | TOTAL APPROPRIATION | \$721,495,000 |

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

32 (1) \$165,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$165,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for the implementation of the
35 Puget Sound work plan and agency action item UW-01.

36 (2) \$300,000 of the general fund--private/local appropriation is

1 provided solely for shellfish biotoxin monitoring as specified in
2 chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

3 (3) \$4,718,000 of the higher education legacy trust appropriation
4 for fiscal year 2006 and \$11,032,000 of the higher education legacy
5 trust appropriation for fiscal year 2007 are provided as the state
6 subsidy for 500 new enrollments at the Seattle campus, 400 new
7 enrollments at the Tacoma campus, and 350 new enrollments at the
8 Bothell campus.

9 (4) The appropriations for higher education employee compensation
10 increases provided or referenced in this section and described in
11 sections 946 through 977 of this act are estimated to increase the
12 total per student funding by \$585 during the 2005-2007 biennium. This
13 increase in total per student funding is in addition to the tuition
14 revenues that will be generated and retained by the university as a
15 result of the tuition increases that are authorized in section 601 of
16 this act. Given these increases in core funding, the University of
17 Washington shall, by June 30, 2007, show demonstrable progress toward
18 achieving the following six-year programmatic goals:

19 (a) Improve time to degree as measured by the percent of admitted
20 students who graduate within 125% of the credits required for a degree;

21 (b) Preserve access for low-income students as measured by the
22 percentage of total degrees awarded to Pell Grant recipients;

23 (c) Improve freshman retention rates;

24 (d) Improve and sustain the quality of its degree programs as
25 measured by the number of programs that are ranked in the top twenty
26 nationally;

27 (e) Sustain the quality of its research programs as measured by the
28 national ranking for federal research grants received; and

29 (f) Improve its ability to prepare students for the workforce as
30 measured by the job placement or graduate school acceptance rates among
31 graduates.

32 Specific six-year targets for the goals stated in this subsection
33 shall be established by the university, the office of financial
34 management, and the higher education coordinating board and shall be
35 determined based on the per student funding level assumed in this act.

36 On or before October 1, 2006, the university shall submit to the
37 higher education coordinating board a report that outlines the
38 institution's progress and ongoing efforts toward meeting the

1 provisions of this section. The higher education coordinating board
2 shall compile and analyze all responses and provide a summary to the
3 governor and the appropriate fiscal and policy committees of the
4 legislature prior to November 1, 2006.

5 (5) \$200,000 of the general fund--state appropriation for fiscal
6 year 2006 is provided solely to assist the transition of University of
7 Washington-Tacoma and University of Washington-Bothell from branch
8 campuses serving upper-division students, to four-year campuses serving
9 freshmen, sophomores, and upper-division students. Funds may be used
10 to develop curricula, recruit new faculty, and expand student services.
11 Consistent with the recommendations of the higher education
12 coordinating board, UW-Tacoma and UW-Bothell may begin enrolling lower-
13 division students beginning in fiscal year 2007.

14 (6) \$30,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$30,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided solely for research on labor and economic
17 issues in Washington state through the Harry Bridges center.

18 (7) \$370,000 of the general fund--state appropriation for fiscal
19 year 2006 and \$370,000 of the general fund--state appropriation for the
20 fiscal year 2007 are provided solely to the Burke Museum to enhance the
21 museum's public outreach capabilities.

22 (8) \$125,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$125,000 of the general fund--state appropriation for the
24 fiscal year 2007 are provided solely to the institute for learning and
25 brain sciences (ILABS) to develop a partnership, linking ILABS to
26 policymakers, private sectors and user-groups.

27 (9) The University of Washington medical center shall provide
28 inpatient and outpatient hospital services to offenders confined in
29 department of corrections facilities at a rate no greater than the
30 average rate that the department of corrections has negotiated with
31 other community hospitals in Washington state.

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

| | | |
|----|--|---------------|
| 33 | General Fund--State Appropriation (FY 2006) | \$209,959,000 |
| 34 | General Fund--State Appropriation (FY 2007) | \$214,271,000 |
| 35 | Higher Education Legacy Trust--State Appropriation | \$14,353,000 |
| 36 | TOTAL APPROPRIATION | \$438,583,000 |

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

3 (1) \$210,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$210,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for the implementation of the
6 Puget Sound work plan and agency action item WSU-01.

7 (2) \$3,774,000 of the higher education legacy trust appropriation
8 for fiscal year 2006 and \$8,965,000 of the higher education legacy
9 trust appropriation for fiscal year 2007 are provided as the state
10 subsidy for 600 new enrollments at the Pullman campus, 500 new
11 enrollments at the Vancouver campus, and 25 new enrollments at the Tri-
12 Cities campus.

13 (3) The appropriations for higher education employee compensation
14 increases provided or referenced in this section and described in
15 sections 946 through 977 of this act are estimated to increase the
16 total per student funding by \$726 during the 2005-2007 biennium. This
17 increase in total per student funding is in addition to the tuition
18 revenues that will be generated and retained by the university as a
19 result of the tuition increases that are authorized in section 601 of
20 this act. Given these increases in core funding, Washington State
21 University shall, by June 30, 2007, show demonstrable progress toward
22 achieving the following six-year programmatic goals:

23 (a) Improve time to degree as measured by the percent of admitted
24 students who graduate within 125% of the credits required for a degree;

25 (b) Preserve access for low-income students as measured by the
26 percentage of total degrees awarded to Pell Grant recipients;

27 (c) Improve freshman retention rates;

28 (d) Improve and sustain the quality of its degree programs as
29 measured by the number of programs that are ranked in the top twenty
30 nationally;

31 (e) Sustain the quality of its research programs as measured by the
32 national ranking for federal research grants received; and

33 (f) Improve its ability to prepare students for the workforce as
34 measured by the job placement or graduate school acceptance rates among
35 graduates.

36 Specific six-year targets for the goals stated in this subsection
37 shall be established by the university, the office of financial

1 management, and the higher education coordinating board and shall be
2 determined based on the per student funding level assumed in this act.

3 On or before October 1, 2006 the university shall submit to the
4 higher education coordinating board a report that outlines the
5 institution's progress and ongoing efforts toward meeting the
6 provisions of this section. The higher education coordinating board
7 shall compile and analyze all responses and provide a summary to the
8 governor and the appropriate fiscal and policy committees of the
9 legislature prior to November 1, 2006.

10 (4) \$507,000 of the higher education legacy trust appropriation for
11 fiscal year 2006 and \$1,014,000 of the higher education legacy trust
12 appropriation for fiscal year 2007 are provided solely to expand the
13 entering class of veterinary medicine students by 16 resident student
14 FTEs each academic year during the 2005-2007 biennium.

15 (5) \$350,000 of the general fund--state appropriation for fiscal
16 year 2006 is provided solely to assist the transition of Washington
17 State University-Vancouver from a branch campus serving only upper-
18 division students, to a four-year campus serving freshmen, sophomores,
19 and upper-division students. Funds may be used to develop curricula,
20 recruit new faculty, and expand student services. Consistent with the
21 recommendations of the higher education coordinating board, WSU-
22 Vancouver may begin enrolling lower-division students beginning in
23 fiscal year 2007.

24 (6) The university shall give consideration to reprioritizing
25 agricultural research funding to allow for expansion of the center for
26 precision agricultural systems and development of the biologically
27 intensive and organic agriculture program.

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

| | | |
|----|--|---------------|
| 29 | General Fund--State Appropriation (FY 2006) | \$46,667,000 |
| 30 | General Fund--State Appropriation (FY 2007) | \$47,480,000 |
| 31 | Higher Education Legacy Trust--State Appropriation | \$9,201,000 |
| 32 | TOTAL APPROPRIATION | \$103,348,000 |

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

35 (1) \$2,993,000 of the higher education legacy trust appropriation
36 for fiscal year 2006 and \$5,986,000 of the higher education legacy

1 trust appropriation for fiscal year 2007 are provided as the state
2 subsidy for 900 new enrollments.

3 (2) The appropriations for higher education employee compensation
4 increases provided or referenced in this section and described in
5 sections 946 through 977 of this act are estimated to increase the
6 total per student funding by \$480 during the 2005-2007 biennium. This
7 increase in total per student funding is in addition to the tuition
8 revenues that will be generated and retained by the university as a
9 result of the tuition increases that are authorized in section 601 of
10 this act. Given these increases in core funding, Eastern Washington
11 University shall, by June 30, 2007, show demonstrable progress toward
12 achieving the following six-year programmatic goals:

13 (a) Improve time to degree as measured by the percent of admitted
14 students who graduate within 125% of the credits required for a degree;

15 (b) Preserve access for low-income students as measured by the
16 percentage of total degrees awarded to Pell Grant recipients;

17 (c) Improve freshman retention rates;

18 (d) Improve and sustain the quality of its degree programs as
19 measured by the number of programs that receive national accreditation;
20 and

21 (e) Improve its ability to prepare students for the workforce as
22 measured by the job placement or graduate school acceptance rates among
23 graduates.

24 Specific six-year targets for the goals stated in this subsection
25 shall be established by the university, the office of financial
26 management, and the higher education coordinating board and shall be
27 determined based on the per student funding level assumed in this act.

28 On or before October 1, 2006, the university shall submit to the
29 higher education coordinating board a report that outlines the
30 institution's progress and ongoing efforts toward meeting the
31 provisions of this section. The higher education coordinating board
32 shall compile and analyze all responses and provide a summary to the
33 governor and the appropriate fiscal and policy committees of the
34 legislature prior to November 1, 2006.

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

| | | |
|----|---|--------------|
| 36 | General Fund--State Appropriation (FY 2006) | \$46,209,000 |
| 37 | General Fund--State Appropriation (FY 2007) | \$47,431,000 |

1 Higher Education Legacy Trust--State Appropriation \$8,979,000
2 TOTAL APPROPRIATION \$102,619,000

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

5 (1) \$2,993,000 of the higher education legacy trust appropriation
6 for fiscal year 2006 and \$5,986,000 of the higher education legacy
7 trust appropriation for fiscal year 2007 are provided as the state
8 subsidy for 900 new enrollments.

9 (2) The appropriations for higher education employee compensation
10 increases provided or referenced in this section and described in
11 sections 946 through 977 of this act are estimated to increase the
12 total per student funding by \$499 during the 2005-2007 biennium. This
13 increase in total per student funding is in addition to the tuition
14 revenues that will be generated and retained by the university as a
15 result of the tuition increases that are authorized in section 601 of
16 this act. Given these increases in core funding, Central Washington
17 University shall, by June 30, 2007, show demonstrable progress toward
18 achieving the following six-year programmatic goals:

19 (a) Improve time to degree as measured by the percent of admitted
20 students who graduate within 125% of the credits required for a degree;

21 (b) Preserve access for low-income students as measured by the
22 percentage of total degrees awarded to Pell Grant recipients;

23 (c) Improve freshman retention rates;

24 (d) Improve and sustain the quality of its degree programs as
25 measured by the number of programs that receive national accreditation;
26 and

27 (e) Improve its ability to prepare students for the workforce as
28 measured by the job placement or graduate school acceptance rates among
29 graduates.

30 Specific six-year targets for the goals stated in this subsection
31 shall be established by the university, the office of financial
32 management, and the higher education coordinating board and shall be
33 determined based on the per student funding level assumed in this act.

34 On or before October 1, 2006, the university shall submit to the
35 higher education coordinating board a report that outlines the
36 institution's progress and ongoing efforts toward meeting the
37 provisions of this section. The higher education coordinating board

1 shall compile and analyze all responses and provide a summary to the
2 governor and the appropriate fiscal and policy committees of the
3 legislature prior to November 1, 2006.

4 (3) For the 2006-07 and 2007-08 academic years, the legislature
5 hereby increases the limit on total gross authorized operating fees
6 revenue waived, exempted, or reduced by Central Washington University
7 pursuant to RCW 28B.15.910 to eleven percent.

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

| | | |
|----|--|--------------|
| 9 | General Fund--State Appropriation (FY 2006) | \$25,861,000 |
| 10 | General Fund--State Appropriation (FY 2007) | \$26,404,000 |
| 11 | Higher Education Legacy Trust--State Appropriation | \$2,546,000 |
| 12 | TOTAL APPROPRIATION | \$54,811,000 |

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

15 (1) \$849,000 of the higher education legacy trust appropriation for
16 fiscal year 2006 and \$1,697,000 of the higher education legacy trust
17 appropriation for fiscal year 2007 are provided as the state subsidy
18 for 250 new enrollments.

19 (2) The appropriations for higher education employee compensation
20 increases provided or referenced in this section and described in
21 sections 946 through 977 of this act are estimated to increase the
22 total per student funding by \$482 during the 2005-2007 biennium. This
23 increase in total per student funding is in addition to the tuition
24 revenues that will be generated and retained by the college as a result
25 of the tuition increases that are authorized in section 601 of this
26 act. Given these increases in core funding, The Evergreen State
27 College shall, by June 30, 2007, show demonstrable progress toward
28 achieving the following six-year programmatic goals:

- 29 (a) Improve time to degree as measured by the percent of admitted
30 students who graduate within 125% of the credits required for a degree;
- 31 (b) Preserve access for low-income students as measured by the
32 percentage of total degrees awarded to Pell Grant recipients;
- 33 (c) Improve freshman retention rates;
- 34 (d) Improve and sustain the quality of its degree programs as
35 measured by the number of programs that receive national accreditation;
- 36 (e) Improve its ability to prepare students for the workforce as

1 measured by the job placement or graduate school acceptance rates among
2 graduates.

3 Specific six-year targets for the goals stated in this subsection
4 shall be established by the university, the office of financial
5 management, and the higher education coordinating board and shall be
6 determined based on the per student funding level assumed in this act.

7 On or before October 1, 2006, the university shall submit to the
8 higher education coordinating board a report that outlines the
9 institution's progress and ongoing efforts toward meeting the
10 provisions of this section. The higher education coordinating board
11 shall compile and analyze all responses and provide a summary to the
12 governor and the appropriate fiscal and policy committees of the
13 legislature prior to November 1, 2006.

14 (3) \$40,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$10,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided solely for the Washington state institute
17 for public policy to conduct an analysis of the availability, services,
18 and effectiveness of programs in community and technical colleges that
19 serve the educational needs of recent immigrant students who are not
20 proficient in English and who are or have been enrolled in high school
21 but have not met graduation requirements. The analysis shall include,
22 but not be limited to, the type of programs provided, the geographic
23 availability of programs, the identification of best practices, how the
24 programs are funded, and the effectiveness of the programs. The
25 analysis shall also include recommendations for improving the programs
26 to better meet the needs of recent immigrant students and for expanding
27 the availability of programs statewide. A report shall be submitted to
28 the fiscal and education committees of the legislature, the
29 superintendent of public instruction, and the state board for community
30 and technical colleges by December 1, 2006.

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

| | | |
|----|--|---------------|
| 32 | General Fund--State Appropriation (FY 2006) | \$59,957,000 |
| 33 | General Fund--State Appropriation (FY 2007) | \$61,316,000 |
| 34 | Higher Education Legacy Trust--State Appropriation | \$4,234,000 |
| 35 | TOTAL APPROPRIATION | \$125,507,000 |

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

1 (1) \$1,348,000 of the higher education legacy trust appropriation
2 for fiscal year 2006 and \$2,695,000 of the higher education legacy
3 trust appropriation for fiscal year 2007 are provided as the state
4 subsidy for 400 new enrollments.

5 (2) The appropriations for higher education employee compensation
6 increases provided or referenced in this section and described in
7 sections 946 through 977 of this act are estimated to increase the
8 total per student funding by \$486 during the 2005-2007 biennium. This
9 increase in total per student funding is in addition to the tuition
10 revenues that will be generated and retained by the university as a
11 result of the tuition increases that are authorized in section 601 of
12 this act. Given these increases in core funding, Western Washington
13 University shall, by June 30, 2007, show demonstrable progress toward
14 achieving the following six-year programmatic goals:

15 (a) Improve time to degree as measured by the percent of admitted
16 students who graduate within 125% of the credits required for a degree;

17 (b) Preserve access for low-income students as measured by the
18 percentage of total degrees awarded to Pell Grant recipients;

19 (c) Improve freshman retention rates;

20 (d) Improve and sustain the quality of its degree programs as
21 measured by the number of programs that receive national accreditation;
22 and

23 (e) Improve its ability to prepare students for the workforce as
24 measured by the job placement or graduate school acceptance rates among
25 graduates.

26 Specific six-year targets for the goals stated in this subsection
27 shall be established by the university, the office of financial
28 management, and the higher education coordinating board and shall be
29 determined based on the per student funding level assumed in this act.

30 On or before October 1, 2006, the university shall submit to the
31 higher education coordinating board a report that outlines the
32 institution's progress and ongoing efforts toward meeting the
33 provisions of this section. The higher education coordinating board
34 shall compile and analyze all responses and provide a summary to the
35 governor and the appropriate fiscal and policy committees of the
36 legislature prior to November 1, 2006.

37 (3) Access to baccalaureate and graduate degree programs continues
38 to be limited for residents of North Snohomish, Island, and Skagit

1 counties. The higher education consortium created to serve the region
 2 has not been able to successfully address the region's access needs.
 3 The university center model of service delivery, centered on a
 4 community college campus with a single point of accountability, has
 5 proven more effective in developing degree programs and attracting
 6 students.

7 Therefore, the management and leadership responsibility for
 8 consortium operations are assigned to Everett community college.
 9 Everett community college shall collaborate with community and business
 10 leaders, other local community colleges, the public four-year
 11 institutions of higher education, and the higher education coordinating
 12 board to develop an educational plan for the North Snohomish, Island,
 13 and Skagit county region based on the university center model.

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

| | | |
|----|---|-------------|
| 16 | General Fund--State Appropriation (FY 2006) | \$2,339,000 |
| 17 | General Fund--State Appropriation (FY 2007) | \$2,321,000 |
| 18 | General Fund--Federal Appropriation | \$4,274,000 |
| 19 | TOTAL APPROPRIATION | \$8,934,000 |

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

| | | |
|----|--|---------------|
| 22 | General Fund--State Appropriation (FY 2006) | \$171,665,000 |
| 23 | General Fund--State Appropriation (FY 2007) | \$180,758,000 |
| 24 | General Fund--Federal Appropriation | \$13,060,000 |
| 25 | Higher Education Legacy Trust--State Appropriation | \$11,008,000 |
| 26 | TOTAL APPROPRIATION | \$376,491,000 |

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

29 (1) \$299,000 of the general fund--state appropriation for fiscal
 30 year 2006 and \$308,000 of the general fund--state appropriation for
 31 fiscal year 2007 are provided solely for the western interstate
 32 commission for higher education.

33 (2) \$75,000 of the general fund--state appropriation for fiscal
 34 year 2006 and \$75,000 of the general fund--state appropriation for
 35 fiscal year 2007 are provided solely for higher education student child
 36 care matching grants under chapter 28B.135 RCW.

1 (3) \$25,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$25,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for the benefit of students who
4 participate in college assistance migrant programs (CAMP) operating in
5 Washington state. To ensure timely state aid, the board may establish
6 a date after which no additional grants would be available for the
7 2005-06 and 2006-07 academic years. The board shall disperse grants in
8 equal amounts to eligible post-secondary institutions so that state
9 money in all cases supplements federal CAMP awards.

10 (4) \$133,142,000 of the general fund--state appropriation for
11 fiscal year 2006, \$142,293,000 of the general fund--state appropriation
12 for fiscal year 2007, \$2,470,000 of the higher education legacy trust
13 appropriation for fiscal year 2006, and \$5,467,000 of the higher
14 education legacy trust appropriation for fiscal year 2007 are provided
15 solely for the state need grant program. After April 1st of each
16 fiscal year, up to one percent of the annual appropriation for the
17 state need grant program may be transferred to the state work study
18 program.

19 (5) \$250,000 of the general fund--state appropriation for fiscal
20 year 2006 and \$250,000 of the general fund--state appropriation for
21 fiscal year 2007 are provided solely to implement House Bill No. 1345
22 (part-time student financial aid). If the bill is not enacted by June
23 30, 2005, the amounts provided in this subsection shall lapse. It is
24 the intent of the legislature that these amounts be made available only
25 to eligible students who are attending or planning on attending a
26 Washington state public community or technical college. The board may
27 not expend more than the amount provided in this subsection to
28 implement the bill.

29 (6) \$75,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$75,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely for the implementation of Second
32 Substitute House Bill No. 1050 (foster care endowed scholarship
33 program). The purpose of the program is to help students who are or
34 were in foster care attend an institution of higher education in the
35 state of Washington. If the bill is not enacted by June 30, 2005, the
36 amounts provided in this subsection shall lapse.

37 (7) \$250,000 of the general fund--state appropriation for fiscal

1 year 2006 and \$250,000 of the general fund--state appropriation for the
2 fiscal year 2007 are provided solely to support the future teachers'
3 conditional scholarship and loan repayment program.

4 (8) \$17,048,000 of the general fund--state appropriation for fiscal
5 year 2006, \$17,048,000 of the general fund--state appropriation for
6 fiscal year 2007, \$929,000 of the higher education legacy trust
7 appropriation for fiscal year 2006, and \$2,142,000 of the higher
8 education legacy trust appropriation for fiscal year 2007 are provided
9 solely for the state work study program. After April 1st of each
10 fiscal year, up to one percent of the annual appropriation for the
11 state work study program may be transferred to the state need grant
12 program. In addition to the administrative allowance in subsection
13 (11) of this section, four percent of the general fund--state amount in
14 this subsection may be expended for state work study program
15 administration.

16 (9) \$2,867,000 of the general fund--state appropriation for fiscal
17 year 2006 and \$2,867,000 of the general fund--state appropriation for
18 fiscal year 2007 are provided solely for educational opportunity grants
19 pursuant to chapter 233, Laws of 2003 (ESB 5676). The board may
20 deposit sufficient funds from its appropriation into the state
21 education trust fund as established in RCW 28B.10.821 to provide a one-
22 year renewal of the grant for each new recipient of the educational
23 opportunity grant award.

24 (10) \$2,208,319 of the general fund--state appropriation for fiscal
25 year 2006 and \$2,206,293 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely to implement the Washington
27 scholars program. Any Washington scholars program moneys not awarded
28 by April 1st of each year may be transferred by the board to the
29 Washington award for vocational excellence. Amounts provided in this
30 subsection are sufficient for the higher education coordinating board
31 to select two Washington scholars annually from each legislative
32 district under the provisions of RCW 28A.600.100 through 28A.600.150.

33 (11) \$794,000 of the general fund--state appropriation for fiscal
34 year 2006 and \$846,000 of the general fund--state appropriation for
35 fiscal year 2007 are provided solely to implement Washington award for
36 vocational excellence program. Any Washington award for vocational
37 program moneys not awarded by April 1st of each year may be transferred
38 by the board to the Washington scholars program.

1 (12) \$246,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$246,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for community scholarship matching
4 grants of \$2,000 each and up to a total of \$46,000 per year in grants
5 for nonprofit community organizations with preference given to
6 organizations affiliated with scholarship America to administer the
7 scholarship matching grants. To be eligible for the matching grant, a
8 nonprofit community organization organized under section 501(c)(3) of
9 the internal revenue code must demonstrate that it has raised \$2,000 in
10 new moneys for college scholarships after the effective date of this
11 section. An organization may receive more than one \$2,000 matching
12 grant and preference shall be given to organizations affiliated with
13 scholarship America.

14 (13) Subject to state need grant service requirements pursuant to
15 chapter 28B.119 RCW, \$8,288,104 of the general fund--state
16 appropriation for fiscal year 2006 and \$8,215,321 of the general fund--
17 state appropriation for fiscal year 2007 are provided solely for the
18 Washington promise scholarship program. For fiscal year 2006, the
19 income eligibility for the graduating high school class of 2005 shall
20 not exceed one hundred twenty percent of the state median family income
21 adjusted for family size. The income eligibility for the graduating
22 high school class of 2004 shall be retained at one hundred thirty-five
23 percent of the state median family income adjusted for family size.

24 (14) \$2,872,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$2,872,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely for financial aid administration,
27 in addition to the four percent cost allowance provision for state work
28 study under subsection (5) of this section. These funds are provided
29 to administer all the financial aid and grant programs assigned to the
30 board by the legislature and administered by the agency. To the extent
31 the executive director finds the agency will not require the full sum
32 provided in this subsection, a portion may be transferred to supplement
33 financial grants-in-aid to eligible clients after notifying the board
34 and the office of financial management of the intended transfer.

35 NEW SECTION. **Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**
36 **COORDINATING BOARD**

37 General Fund--State Appropriation (FY 2006) \$1,209,000

| | | |
|---|---|--------------|
| 1 | General Fund--State Appropriation (FY 2007) | \$1,189,000 |
| 2 | General Fund--Federal Appropriation | \$53,849,000 |
| 3 | TOTAL APPROPRIATION | \$56,247,000 |

4 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**
5 **AND TECHNOLOGY INSTITUTE**

| | | |
|---|---|-------------|
| 6 | General Fund--State Appropriation (FY 2006) | \$1,479,000 |
| 7 | General Fund--State Appropriation (FY 2007) | \$1,493,000 |
| 8 | TOTAL APPROPRIATION | \$2,972,000 |

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

11 The legislature finds that economic development, especially in
12 emerging technologies, is critical to Spokane and Eastern Washington.
13 The principal goal of the state's investment in the Spokane
14 intercollegiate research and technology institute (SIRTI) is to bridge
15 the gap between academic discovery and economic development, thereby
16 leveraging the state's investment in research. However, it is
17 essential to find appropriate ways to mark the success of these
18 efforts. By September 15, 2005, SIRTI shall develop a plan for review
19 by the house of representatives higher education committee and the
20 senate labor, commerce, research and development committee, describing
21 the agency's strategy and budget for commercial application of academic
22 research. The plan shall include actions to be taken to select,
23 develop, commercialize, and graduate clients. The plan shall also
24 detail how to measure significant impacts to the overall economic
25 climate of the Spokane region, including job creation and wages, that
26 are attributable to SIRTI.

27 NEW SECTION. **Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION**

| | | |
|----|---|-------------|
| 28 | General Fund--State Appropriation (FY 2006) | \$2,304,000 |
| 29 | General Fund--State Appropriation (FY 2007) | \$2,311,000 |
| 30 | General Fund--Federal Appropriation | \$1,300,000 |
| 31 | TOTAL APPROPRIATION | \$5,915,000 |

32 NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE HISTORICAL**
33 **SOCIETY**

| | | |
|----|---|-------------|
| 34 | General Fund--State Appropriation (FY 2006) | \$2,748,000 |
| 35 | General Fund--State Appropriation (FY 2007) | \$2,556,000 |

1 TOTAL APPROPRIATION \$5,304,000

2 The appropriations in this section are subject to the following
3 condition and limitation: \$33,000 of the general fund--state
4 appropriation for fiscal year 2006 is provided solely for the advisory
5 committee and staff associated with the Lewis and Clark Corps of
6 Discovery II bicentennial commemoration.

7 NEW SECTION. **Sec. 616. FOR THE EASTERN WASHINGTON STATE**
8 **HISTORICAL SOCIETY**

9 General Fund--State Appropriation (FY 2006) \$1,539,000
10 General Fund--State Appropriation (FY 2007) \$1,562,000
11 TOTAL APPROPRIATION \$3,101,000

12 NEW SECTION. **Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**

13 General Fund--State Appropriation (FY 2006) \$5,036,000
14 General Fund--State Appropriation (FY 2007) \$5,018,000
15 General Fund--Private/Local Appropriation \$1,335,000
16 TOTAL APPROPRIATION \$11,389,000

17 NEW SECTION. **Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF**

18 General Fund--State Appropriation (FY 2006) \$8,279,000
19 General Fund--State Appropriation (FY 2007) \$8,256,000
20 General Fund--Private/Local Appropriation \$232,000
21 TOTAL APPROPRIATION \$16,767,000

(End of part)

PART VII

SPECIAL APPROPRIATIONS

NEW SECTION. **Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

| | |
|---|-----------------|
| General Fund--State Appropriation (FY 2006) | \$654,444,000 |
| General Fund--State Appropriation (FY 2007) | \$708,119,000 |
| State Building Construction Account--State Appropriation | \$3,924,000 |
| State Taxable Building Construction Account--State Appropriation | \$139,000 |
| Gardner-Evans Higher Education Construction Account--State Appropriation | \$1,215,000 |
| Debt-limit General Fund Bond Retirement Account--State Appropriation | \$4,113,000 |
| Debt-Limit Reimbursable Bond Retirement Account--State Appropriation | \$2,583,000 |
| TOTAL APPROPRIATION | \$1,374,537,000 |

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2006 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2006.

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 | \$29,411,000 |
| Accident Account--State Appropriation | \$5,111,000 |
| Medical Aid Account--State Appropriation | \$5,111,000 |
| TOTAL APPROPRIATION | \$39,633,000 |

NEW SECTION. **Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT**

1 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
2 **GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE**
3 General Fund--State Appropriation (FY 2006) \$24,588,000
4 General Fund--State Appropriation (FY 2007) \$26,743,000
5 Nondebt-Limit Reimbursable Bond Retirement
6 Account--State Appropriation \$131,844,000
7 TOTAL APPROPRIATION \$183,175,000

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

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

14 General Fund--State Appropriation (FY 2006) \$1,357,000
15 General Fund--State Appropriation (FY 2007) \$1,357,000
16 State Building Construction Account--State Appropriation . \$1,080,000
17 State Taxable Building Construction
18 Account--State Appropriation \$13,000
19 Gardner-Evans Higher Education Construction
20 Account--State Appropriation \$452,000
21 TOTAL APPROPRIATION \$4,259,000

22 NEW SECTION. **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
23 **FIRE CONTINGENCY POOL**

24 Disaster Response Account--State Appropriation \$4,000,000

25 The sum of \$4,000,000 is appropriated from the disaster response
26 account for the purpose of making allocations to the Washington state
27 patrol for fire mobilizations costs or to the department of natural
28 resources for fire suppression costs.

29 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
30 **EMERGENCY FUND**

31 General Fund--State Appropriation (FY 2006) \$1,100,000
32 General Fund--State Appropriation (FY 2007) \$1,100,000
33 TOTAL APPROPRIATION \$2,200,000

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

3 (1) The appropriations in this section are for the governor's
4 emergency fund for the critically necessary work of any agency.

5 (2) \$250,000 of the general fund--state appropriation for fiscal
6 year 2006 and \$250,000 of the general fund--state appropriation for
7 fiscal year 2007 are provided solely for grants to state agencies or
8 units of local government that experience increased costs in complying
9 with public records disclosure requests as a result of Second
10 Substitute House Bill No. 1758 (public disclosure). The office of
11 financial management shall determine the amounts of the grants to be
12 provided pursuant to this subsection. If the bill is not enacted by
13 June 30, 2005, the amounts provided in this subsection shall lapse.

14 NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
15 **SEX OFFENDER SENTENCING IMPACT**

| | | |
|----|---|-----------|
| 16 | General Fund--State Appropriation (FY 2006) | \$45,000 |
| 17 | General Fund--State Appropriation (FY 2007) | \$792,000 |
| 18 | TOTAL APPROPRIATION | \$837,000 |

19 The appropriations in this section are subject to the following
20 conditions and limitations: The appropriations are provided solely for
21 distribution to counties to pay for the costs of implementing chapter
22 176, Laws of 2004, which makes amendments to the special sex offender
23 sentencing alternative.

24 NEW SECTION. **Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
25 **SMALL AGENCY INFORMATION TECHNOLOGY POOL**

| | | |
|----|---|-----------|
| 26 | General Fund--State Appropriation (FY 2006) | \$500,000 |
|----|---|-----------|

27 The appropriation in this section is subject to the following
28 conditions and limitations: The appropriation is provided solely for
29 deposit into the data processing revolving account.

30 NEW SECTION. **Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
31 **CAPITOL BUILDING CONSTRUCTION ACCOUNT**

| | | |
|----|---|-------------|
| 32 | General Fund--State Appropriation (FY 2006) | \$600,000 |
| 33 | General Fund--State Appropriation (FY 2007) | \$1,000,000 |
| 34 | TOTAL APPROPRIATION | \$1,600,000 |

1 The appropriations in this section are subject to the following
 2 conditions and limitations: The appropriations are provided solely for
 3 deposit in the capitol building construction account.

4 NEW SECTION. **Sec. 710. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
 5 **AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

6 Health Services Account--State Appropriation \$48,000,000

7 The appropriation in this section is subject to the following
 8 conditions and limitations: The director of the department of
 9 community, trade, and economic development shall distribute the
 10 appropriations to the following counties and health districts in the
 11 amounts designated:

| 12 | Health District | FY 2006 | FY 2007 | FY 2005-07 |
|----|---|----------------|----------------|-------------------|
| 13 | | | | Biennium |
| 14 | Adams County Health District | \$30,951 | \$30,951 | \$61,902 |
| 15 | Asotin County Health District | \$67,714 | \$67,714 | \$135,428 |
| 16 | Benton-Franklin Health District | \$1,165,612 | \$1,165,612 | \$2,331,224 |
| 17 | Chelan-Douglas Health District | \$184,761 | \$184,761 | \$369,522 |
| 18 | Clallam County Health and Human Services Department | \$141,752 | \$141,752 | \$283,504 |
| 19 | Southwest Washington Health District | \$1,084,473 | \$1,084,473 | \$2,168,946 |
| 20 | Columbia County Health District | \$40,529 | \$40,529 | \$81,058 |
| 21 | Cowlitz County Health Department | \$278,560 | \$278,560 | \$557,120 |
| 22 | Garfield County Health District | \$15,028 | \$15,028 | \$30,056 |
| 23 | Grant County Health District | \$118,595 | \$118,595 | \$237,191 |
| 24 | Grays Harbor Health Department | \$183,870 | \$183,870 | \$367,740 |
| 25 | Island County Health Department | \$91,892 | \$91,892 | \$183,784 |
| 26 | Jefferson County Health and Human Services | \$85,782 | \$85,782 | \$171,564 |
| 27 | Seattle-King County Department of Public Health | \$9,531,747 | \$9,531,747 | \$19,063,494 |
| 28 | Bremerton-Kitsap County Health District | \$554,669 | \$554,669 | \$1,109,338 |
| 29 | Kittitas County Health Department | \$92,499 | \$92,499 | \$184,998 |
| 30 | Klickitat County Health Department | \$62,402 | \$62,402 | \$124,804 |
| 31 | Lewis County Health Department | \$105,801 | \$105,801 | \$211,602 |
| 32 | Lincoln County Health Department | \$29,705 | \$29,705 | \$59,410 |
| 33 | Mason County Department of Health Services | \$95,988 | \$95,988 | \$191,976 |
| 34 | Okanogan County Health District | \$63,458 | \$63,458 | \$126,916 |

| | | | | |
|----|---|---------------------|---------------------|---------------------|
| 1 | Pacific County Health Department | \$77,427 | \$77,427 | \$154,854 |
| 2 | Tacoma-Pierce County Health Department | \$2,820,590 | \$2,820,590 | \$5,641,180 |
| 3 | San Juan County Health and Community Services | \$37,531 | \$37,531 | \$75,062 |
| 4 | Skagit County Health Department | \$223,927 | \$223,927 | \$447,854 |
| 5 | Snohomish Health District | \$2,258,207 | \$2,258,207 | \$4,516,414 |
| 6 | Spokane County Health District | \$2,101,429 | \$2,101,429 | \$4,202,858 |
| 7 | Northeast Tri-County Health District | \$110,454 | \$110,454 | \$220,908 |
| 8 | Thurston County Health Department | \$600,419 | \$600,419 | \$1,200,838 |
| 9 | Wahkiakum County Health Department | \$13,773 | \$13,772 | \$27,545 |
| 10 | Walla Walla County-City Health Department | \$172,062 | \$172,062 | \$344,124 |
| 11 | Whatcom County Health Department | \$855,863 | \$855,863 | \$1,711,726 |
| 12 | Whitman County Health Department | \$78,733 | \$78,733 | \$157,466 |
| 13 | Yakima Health District | \$623,797 | \$623,797 | \$1,247,594 |
| 14 | TOTAL APPROPRIATIONS | \$24,000,000 | \$24,000,000 | \$48,000,000 |

15 NEW SECTION. **Sec. 711. BELATED CLAIMS.** The agencies and
16 institutions of the state may expend moneys appropriated in this act,
17 upon approval of the office of financial management, for the payment of
18 supplies and services furnished to the agency or institution in prior
19 fiscal biennia.

20 NEW SECTION. **Sec. 712.** A new section is added to 2003 1st sp.s.
21 c 25 (uncodified) to read as follows:

22 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--INDIVIDUAL DEVELOPMENT ACCOUNT**

| | | |
|----|---|-------------|
| 23 | General Fund--State Appropriation (FY 2006) | \$510,000 |
| 24 | General Fund--State Appropriation (FY 2007) | \$511,000 |
| 25 | TOTAL APPROPRIATION | \$1,021,000 |

26 The appropriations in this section are subject to the following
27 conditions and limitations: The appropriations in this section are
28 provided solely for deposit in the individual development account. If
29 House Bill No. 1408 is not enacted by June 30, 2005, these amounts
30 shall lapse.

31 NEW SECTION. **Sec. 713. FOR THE DEPARTMENT OF RETIREMENT**
32 **SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in
33 this section are subject to the following conditions and limitations:
34 The appropriations for the law enforcement officers' and firefighters'

1 retirement system shall be made on a monthly basis beginning July 1,
2 2005, consistent with chapter 41.45 RCW, and the appropriations for the
3 judges and judicial retirement systems shall be made on a quarterly
4 basis consistent with chapters 2.10 and 2.12 RCW.

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

| | | |
|---|---|--------------|
| 7 | General Fund--State Appropriation (FY 2006) | \$31,400,000 |
| 8 | General Fund--State Appropriation (FY 2007) | \$37,400,000 |

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

| | | |
|----|---|-------------|
| 11 | General Fund--State Appropriation (FY 2006) | \$6,000,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$6,000,000 |

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

| | | |
|----|---|--------------|
| 15 | General Fund--State Appropriation (FY 2006) | \$300,000 |
| 16 | General Fund--State Appropriation (FY 2007) | \$300,000 |
| 17 | TOTAL APPROPRIATION | \$81,400,000 |

18 NEW SECTION. **Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
19 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

| | | |
|----|---|--------------|
| 20 | General Fund--State Appropriation (FY 2006) | \$6,840,000 |
| 21 | General Fund--State Appropriation (FY 2007) | \$6,840,000 |
| 22 | TOTAL APPROPRIATION | \$13,680,000 |

23 The appropriations in this section are subject to the following
24 conditions and limitations: The appropriations in this section are
25 provided solely for deposit in the education technology revolving
26 account for the purpose of covering ongoing operational and equipment
27 replacement costs incurred by the K-20 educational network program in
28 providing telecommunication services to network participants.

29 NEW SECTION. **Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
30 **BASE REALIGNMENT AND CLOSURE ASSISTANCE**

| | | |
|----|---|-----------|
| 31 | General Fund--State Appropriation (FY 2006) | \$150,000 |
|----|---|-----------|

32 The appropriation in this section is subject to the following
33 conditions and limitations: The appropriation is provided solely for
34 grants to support projects in Island county, Kitsap county, Pierce
35 county, Snohomish county, and Spokane county when a military base in

1 that county is at risk of being identified for closure on the federal
2 base realignment and closure process. The office of financial
3 management shall establish a process for selecting projects for funding
4 based on criteria used to determine the federal base realignment and
5 closure list and recommendations by the department of community, trade,
6 and economic development and the military department. Final allocation
7 of the grants shall be at the discretion and with the approval of the
8 director of the office of financial management.

9 NEW SECTION. **Sec. 716. FOR THE GOVERNOR--LIFE SCIENCES DISCOVERY**
10 **FUND AUTHORITY**

11 General Fund--State Appropriation (FY 2006) \$500,000

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

14 (1) The appropriation in this section is provided solely for a
15 grant to the life sciences discovery fund authority to be used in
16 accordance with Second Substitute House Bill No. 1623 or Engrossed
17 Second Substitute Senate Bill No. 5581 (life sciences). If neither
18 bill is enacted by June 30, 2005, the appropriation in this section
19 shall lapse.

20 (2) The amount provided in this section constitutes a loan from the
21 state general fund to the life sciences discovery fund authority
22 pending the state's receipt of strategic contribution payments under
23 the master settlement agreement with the major manufacturers of
24 tobacco. Upon the state's receipt of the first such strategic
25 contribution payment in 2008, the authority shall reimburse the state
26 general fund with revenues from such payments that are made available
27 to the authority.

28 NEW SECTION. **Sec. 717. DOUBLE-FILLED PERSONNEL POSITIONS.** From
29 appropriations in this act, the director of financial management shall
30 reduce general fund--state appropriations for fiscal year 2006 by
31 \$1,333,000 and general fund--state appropriations for fiscal year 2007
32 by \$2,667,000 to reflect the elimination of double-filled personnel
33 positions in which two or more persons occupy the same position in the
34 state personnel system. The allotment reductions shall be placed in
35 unallotted status and remain unexpended.

1 NEW SECTION. **Sec. 718. CRITICAL HIGH DEMAND EMPLOYEES.** From
2 the funds placed in unallotted status under section 717 of this act,
3 the office of financial management may allot up to \$1,333,000 for
4 fiscal year 2006 and \$2,667,000 for fiscal year 2007 to meet critical
5 staffing needs of state agencies, particularly need for employees with
6 high degrees of technical skill in high-demand nonmanagerial
7 occupations. In no event may any of these funds be used, directly or
8 indirectly, to increase employee compensation.

9 NEW SECTION. **Sec. 719. FOR THE OFFICE OF THE GOVERNOR--JOINT**
10 **TASK FORCE ON MENTAL HEALTH**

| | | |
|----|---|----------|
| 11 | General Fund--State Appropriation (FY 2006) | \$25,000 |
| 12 | General Fund--State Appropriation (FY 2007) | \$25,000 |
| 13 | TOTAL APPROPRIATION | \$50,000 |

14 The appropriations in this section are subject to the following
15 conditions and limitations: Amounts are provided for the task force
16 created in House Bill No. 1290 (community mental health). If House
17 Bill No. 1290 is not enacted by June 30, 2005, the amounts provided in
18 this section shall lapse.

19 NEW SECTION. **Sec. 720. STRATEGIC PURCHASING STRATEGY.** (1) The
20 office of financial management shall work with the appropriate state
21 agencies to generate savings of \$50,000,000, of which \$25,000,000 shall
22 be from the state general fund, that can arise from a strategic
23 purchasing strategy. From appropriations in this act, the office of
24 financial management shall reduce general fund--state allotments by \$8
25 million for fiscal year 2006 and by \$17 million for fiscal year 2007 to
26 reflect the savings from the strategic purchasing strategy. The
27 allotment reductions shall be placed in unallotted status and remain
28 unexpended.

29 (2) The department of general administration, with the assistance
30 of the department of information services and the department of
31 printing and in consultation with the office of financial management,
32 shall conduct an analysis of the state's purchasing processes to
33 identify the most reasonable strategy of attaining a statewide savings
34 target of \$50,000,000 without affecting direct program activities. The
35 analysis shall identify savings by agency and fund that will result
36 from the implementation of a strategic purchasing strategy. The

1 results of this analysis shall then be provided to the director of
2 financial management by October 1, 2005, so the director may use it as
3 the basis to achieve the savings identified in subsection (1) of this
4 section.

5 (3) Before the purchase of goods and services, all state agencies
6 and higher education institutions shall first consider the utilization
7 of current or existing master contracts. All state agencies and higher
8 education institutions shall strive to use master contracts when that
9 use is consistent with the agency's requirements and purchase is
10 financially cost-effective.

11 NEW SECTION. **Sec. 721. WASHINGTON MANAGEMENT SERVICES MIDDLE**
12 **MANAGEMENT REDUCTION.** (1) Appropriations made in this act assume the
13 reduction of 1,000 middle managers.

14 (2) The office of financial management shall report to the fiscal
15 committees of the legislature on the implementation of reduction no
16 later than June 30, 2006, and again no later than June 30, 2007. The
17 report will include the following information for each position
18 eliminated: (a) Job classification; (b) date the position was
19 eliminated; (c) the amount saved by fund source; (d) whether the
20 employee who previously held the vacated position still works in
21 another position within the agency; and (e) whether the employee who
22 previously held the vacated position still works in any other state
23 agency.

24 NEW SECTION. **Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
25 **EXTRAORDINARY CRIMINAL JUSTICE COSTS**

26 General Fund--State Appropriation (FY 2006) \$70,000

27 The appropriation in this section is subject to the following
28 conditions and limitations: The director of financial management shall
29 distribute the appropriation to the following county in the amounts
30 designated for extraordinary criminal justice costs:

31 Grant \$70,000

32 NEW SECTION. **Sec. 723. INCENTIVE SAVINGS--FY 2006.** The sum of
33 one hundred million dollars or so much thereof as may be available on
34 June 30, 2006, from the total amount of unspent fiscal year 2006 state

1 general fund appropriations is appropriated for the purposes of RCW
2 43.79.460 in the manner provided in this section.

3 (1) Of the total appropriated amount, one-half of that portion that
4 is attributable to incentive savings, not to exceed twenty-five million
5 dollars, is appropriated to the savings incentive account for the
6 purpose of improving the quality, efficiency, and effectiveness of
7 agency services, and credited to the agency that generated the savings.

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

10 NEW SECTION. **Sec. 724. INCENTIVE SAVINGS--FY 2007.** The sum of
11 one hundred million dollars or so much thereof as may be available on
12 June 30, 2007, from the total amount of unspent fiscal year 2007 state
13 general fund appropriations is appropriated for the purposes of RCW
14 43.79.460 in the manner provided in this section.

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

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

22 NEW SECTION. **Sec. 725. NONREPRESENTED EMPLOYEE SALARY COST OF**
23 **LIVING ADJUSTMENT**

| | | |
|----|---|--------------|
| 24 | General Fund--State Appropriation (FY 2006) | \$11,425,000 |
| 25 | General Fund--State Appropriation (FY 2007) | \$19,628,000 |
| 26 | General Fund--Federal Appropriation | \$7,566,000 |
| 27 | General Fund--Private/Local Appropriation | \$727,000 |
| 28 | Dedicated Funds and Accounts Appropriation | \$24,203,000 |
| 29 | TOTAL APPROPRIATION | \$63,549,000 |

30 The appropriations in this section shall be expended solely for the
31 purposes designated in this section and are subject to the following
32 conditions and limitations:

33 (1) In addition to the purposes set forth in subsections (2) and
34 (3) of this section, appropriations in this section are provided solely
35 for a 3.2% increase effective September 1, 2005, for all classified
36 employees, except those represented by a collective bargaining unit

1 under the personnel system reform act of 2002, and except the
2 certificated employees covered by the provisions of Initiative Measure
3 No. 732. Also included are employees in the Washington management
4 service, and exempt employees under the jurisdiction of the personnel
5 resources board or the director of personnel, as applicable.

6 (2) The appropriations are also sufficient to fund a 3.2% salary
7 increase effective September 1, 2005, for general government,
8 legislative, and judicial employees exempt from merit system rules
9 whose maximum salaries are not set by the commission on salaries for
10 elected officials.

11 (3) Appropriations in this section are provided for a 1.6% salary
12 increase effective September 1, 2006, until June 30, 2007, for all
13 classified employees, except those represented by a collective
14 bargaining unit under the personnel system reform act of 2002, and
15 except the certificated employees covered by the provisions of
16 Initiative Measure No. 732. Also included are employees in the
17 Washington management service, and exempt employees under the
18 jurisdiction of the personnel resources board or the director of
19 personnel, as applicable. The appropriations are also sufficient to
20 fund a 1.6% salary increase effective September 1, 2006, until June 30,
21 2007, for general government, legislative, and judicial employees
22 exempt from merit system rules whose maximum salaries are not set by
23 the commission on salaries for elected officials.

24 (4)(a) No salary increase may be paid under this section to any
25 person whose salary has been Y-rated pursuant to rules adopted by the
26 personnel resources board or the director of personnel, as applicable.

27 (b) The average salary increases paid under this section to agency
28 officials whose maximum salaries are established by the committee on
29 agency official salaries shall not exceed the average increases
30 provided under subsections (2) and (3) of this section.

31 The office of financial management shall update agency
32 appropriations schedules to reflect the addition of the funding in this
33 section, as identified by agency and account in LEAP document 2005-33
34 dated April 3, 2005.

35 **NEW SECTION. Sec. 726. NONREPRESENTED EMPLOYEE SALARY SURVEY**

| | |
|--|-------------|
| 36 General Fund--State Appropriation (FY 2006) | \$4,169,000 |
| 37 General Fund--State Appropriation (FY 2007) | \$4,412,000 |

| | | |
|---|--|--------------|
| 1 | General Fund--Federal Appropriation | \$1,655,000 |
| 2 | General Fund--Private/Local Appropriation | \$314,000 |
| 3 | Dedicated Funds and Accounts Appropriation | \$6,257,000 |
| 4 | TOTAL APPROPRIATION | \$16,807,000 |

5 The appropriations in this section shall be expended solely for the
6 purposes designated in this section and are subject to the following
7 conditions and limitations: For state employees, except those
8 represented by a bargaining unit under the personnel system reform act
9 of 2002, funding is provided for implementation of the department of
10 personnel's 2002 salary survey, for job classes more than 25% below
11 market rates.

12 The office of financial management shall update agency
13 appropriations schedules to reflect the addition of the funding in this
14 section, as identified by agency and account in LEAP document 2005-78Z
15 dated March 28, 2005.

16 NEW SECTION. **Sec. 727. CLASSIFICATION REVISIONS**

| | | |
|----|---|-------------|
| 17 | General Fund--State Appropriation (FY 2006) | \$566,000 |
| 18 | General Fund--State Appropriation (FY 2007) | \$1,144,000 |
| 19 | General Fund--Federal Appropriation | \$250,000 |
| 20 | General Fund--Private/Local Appropriation | \$3,000 |
| 21 | Dedicated Funds and Accounts Appropriation | \$1,023,000 |
| 22 | TOTAL APPROPRIATION | \$2,976,000 |

23 The appropriations in this section, or as much thereof as may be
24 necessary, shall be expended solely for the purposes designated in this
25 section and are subject to the following conditions and limitations:
26 Funding is provided for partial implementation of classification
27 consolidation and revisions under the personnel system reform act of
28 2002. Groups 2 and 3 of the department of personnel's initial class
29 consolidation plan are affected.

30 The office of financial management shall update agency
31 appropriations schedules to reflect the addition of the funding in this
32 section, as identified by agency and account in OFM document 2005-07-8Q
33 dated March 21, 2005.

34 NEW SECTION. **Sec. 728. COLLECTIVE BARGAINING AGREEMENTS.**

35 Provisions of the collective bargaining agreements contained in

1 sections 729 through 735 are described in general terms. Only major
2 economic terms are included in the descriptions. These descriptions do
3 not contain the complete contents of the agreements.

4 NEW SECTION. **Sec. 729. COLLECTIVE BARGAINING AGREEMENT--WFSE**

| | | |
|----|---|---------------|
| 5 | General Fund--State Appropriation (FY 2006) | \$21,730,000 |
| 6 | General Fund--State Appropriation (FY 2007) | \$31,698,000 |
| 7 | General Fund--Federal Appropriation | \$23,895,000 |
| 8 | General Fund--Private/Local Appropriation | \$2,233,000 |
| 9 | Dedicated Funds and Accounts Appropriation | \$37,693,000 |
| 10 | TOTAL APPROPRIATION | \$117,229,000 |

11 The appropriations in this section shall be expended solely for the
12 purposes designated in this section and are subject to the following
13 conditions and limitations: Funding is provided for the collective
14 bargaining agreement reached between the governor and the Washington
15 federation of state employees under the personnel system reform act of
16 2002. For employees covered under this agreement, funding is provided
17 for a 3.2% salary increase effective July 1, 2005. Funding is also
18 provided for a 1.6% increase effective July 1, 2006, until June 30,
19 2007, and for implementation of the department of personnel 2002 salary
20 survey for classes more than 25% below market rates.

21 The office of financial management shall update agency
22 appropriations schedules to reflect the addition of the funding in this
23 section, as identified by agency and account in LEAP document 2005-780
24 dated March 28, 2005.

25 NEW SECTION. **Sec. 730. COLLECTIVE BARGAINING AGREEMENT--WPEA**

| | | |
|----|---|--------------|
| 26 | General Fund--State Appropriation (FY 2006) | \$1,859,000 |
| 27 | General Fund--State Appropriation (FY 2007) | \$2,750,000 |
| 28 | General Fund--Federal Appropriation | \$647,000 |
| 29 | General Fund--Private/Local Appropriation | \$74,000 |
| 30 | Dedicated Funds and Accounts Appropriation | \$5,198,000 |
| 31 | TOTAL APPROPRIATION | \$10,528,000 |

32 The appropriations in this section shall be expended solely for the
33 purposes designated in this section and are subject to the following
34 conditions and limitations: Funding is provided for the collective
35 bargaining agreement reached between the governor and the Washington
36 public employees association under the personnel system reform act of

1 2002. For employees covered under this agreement, funding is provided
2 for a 3.2% salary increase effective July 1, 2005. Funding is also
3 provided for a 1.6% increase effective July 1, 2006, until June 30,
4 2007, and for implementation of the department of personnel 2002 salary
5 survey for classes more than 25% below market rates.

6 The office of financial management shall update agency
7 appropriations schedules to reflect the addition of the funding in this
8 section, as identified by agency and account in LEAP document 2005-781
9 dated March 28, 2005.

10 NEW SECTION. **Sec. 731. COLLECTIVE BARGAINING AGREEMENT--UFCW**

11 Dedicated Funds and Accounts Appropriation \$1,138,000

12 The appropriations in this section shall be expended solely for the
13 purposes designated in this section and are subject to the following
14 conditions and limitations: Funding is provided for the collective
15 bargaining agreement reached between the governor and the united food
16 and commercial workers under the personnel system reform act of 2002.
17 For employees covered under this agreement, funding is provided for a
18 3.2% salary increase effective July 1, 2005. Funding is also provided
19 for a 1.6% increase effective July 1, 2006, until June 30, 2007.

20 NEW SECTION. **Sec. 732. COLLECTIVE BARGAINING AGREEMENT--**
21 **TEAMSTERS**

22 General Fund--State Appropriation (FY 2006) \$7,325,000
23 General Fund--State Appropriation (FY 2007) \$13,613,000
24 Dedicated Funds and Accounts Appropriation \$3,000
25 TOTAL APPROPRIATION \$20,941,000

26 The appropriations in this section shall be expended solely for the
27 purposes designated in this section and are subject to the following
28 conditions and limitations: Funding is provided for the collective
29 bargaining agreement reached between the governor and the brotherhood
30 of teamsters under the personnel system reform act of 2002. For
31 employees covered under this agreement, funding is provided for a 3.2%
32 salary increase effective July 1, 2005. Funding is also provided for
33 a 2.9% increase effective July 1, 2006, until June 30, 2007, and for
34 implementation of the department of personnel 2002 salary survey for
35 classes more than 25% below market rates.

1 NEW SECTION. **Sec. 733. COLLECTIVE BARGAINING AGREEMENT--**

2 **COALITION**

| | | |
|---|---|-------------|
| 3 | General Fund--State Appropriation (FY 2006) | \$701,000 |
| 4 | General Fund--State Appropriation (FY 2007) | \$926,000 |
| 5 | General Fund--Federal Appropriation | \$86,000 |
| 6 | General Fund--Private/Local Appropriation | \$225,000 |
| 7 | Dedicated Funds and Accounts Appropriation | \$3,245,000 |
| 8 | TOTAL APPROPRIATION | \$5,183,000 |

9 The appropriations in this section shall be expended solely for the
10 purposes designated in this section and are subject to the following
11 conditions and limitations: Funding is provided for the collective
12 bargaining agreement reached between the governor and the coalition
13 under the personnel system reform act of 2002. For employees covered
14 under this agreement, funding is provided for a 3.2% salary increase
15 effective July 1, 2005. Funding is also provided for a 1.6% increase
16 effective July 1, 2006, until June 30, 2007, and for implementation of
17 the department of personnel 2002 salary survey for classes more than
18 25% below market rates.

19 The office of financial management shall update agency
20 appropriations schedules to reflect the addition of the funding in this
21 section, as identified by agency and account in LEAP document 2005-786
22 dated March 28, 2005.

23 NEW SECTION. **Sec. 734. COLLECTIVE BARGAINING AGREEMENT--IFPTE**

| | | |
|----|---|-----------|
| 24 | General Fund--State Appropriation (FY 2006) | \$96,000 |
| 25 | General Fund--State Appropriation (FY 2007) | \$145,000 |
| 26 | TOTAL APPROPRIATION | \$241,000 |

27 The appropriations in this section shall be expended solely for the
28 purposes designated in this section and are subject to the following
29 conditions and limitations: Funding is provided for the collective
30 bargaining agreement reached between the governor and the international
31 federation of professional and technical engineers local 17 under the
32 personnel system reform act of 2002. For employees covered under this
33 agreement, funding is provided for a 3.2% salary increase effective
34 July 1, 2005. Funding is also provided for a 1.6% increase effective
35 July 1, 2006, until June 30, 2007, and for implementation of the
36 department of personnel 2002 salary survey for classes more than 25%
37 below market rates.

1 NEW SECTION. **Sec. 735. COLLECTIVE BARGAINING AGREEMENT--SEIU-**
2 **1199**

| | | |
|---|---|-------------|
| 3 | General Fund--State Appropriation (FY 2006) | \$1,656,000 |
| 4 | General Fund--State Appropriation (FY 2007) | \$2,260,000 |
| 5 | General Fund--Federal Appropriation | \$1,574,000 |
| 6 | General Fund--Private/Local Appropriation | \$188,000 |
| 7 | TOTAL APPROPRIATION | \$5,678,000 |

8 The appropriations in this section shall be expended solely for the
9 purposes designated in this section and are subject to the following
10 conditions and limitations: Funding is provided for the collective
11 bargaining agreement reached between the governor and the service
12 employees international union, local 1199 NW under the personnel system
13 reform act of 2002. For employees covered under this agreement,
14 funding is provided for a 3.2% salary increase effective July 1, 2005.
15 Funding is also provided for a 1.6% increase effective July 1, 2006,
16 until June 30, 2007, for implementation of the department of personnel
17 2002 salary survey for classes more than 25% below market rates, and
18 for adjustments to the salary grid.

19 The office of financial management shall update agency
20 appropriations schedules to reflect the addition of the funding in this
21 section, as identified by agency and account in OFM document 2005-07-85
22 dated March 21, 2005.

23 NEW SECTION. **Sec. 736. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
24 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

| | | |
|----|---|----------------|
| 25 | General Fund--State Appropriation (FY 2006) | (\$27,322,000) |
| 26 | General Fund--State Appropriation (FY 2007) | (\$15,783,000) |
| 27 | General Fund--Federal Appropriation | (\$15,354,000) |
| 28 | General Fund--Private/Local Appropriation | (\$1,543,000) |
| 29 | Dedicated Funds and Accounts Appropriation | (\$25,908,000) |
| 30 | TOTAL APPROPRIATION | (\$85,910,000) |

31 The appropriations in this section are subject to the following
32 conditions and limitations: Funding in this section is provided solely
33 for funding agency pension changes as set forth in proposed Substitute
34 House Bill No. 1044 (H-3021.2/05). The office of financial management
35 shall update agency appropriations schedules to reflect the change in
36 funding in this section, as identified by agency and account in: LEAP

1 document 2005-37 dated March 21, 2005; LEAP document 2005-38 dated
2 April 5, 2005; LEAP document 2005-37N dated April 5, 2005; and LEAP
3 document 2005-36 dated April 5, 2005.

4 NEW SECTION. **Sec. 737. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
5 **COMPENSATION--INSURANCE BENEFITS IN BARGAINED AGREEMENTS**

| | | |
|----|---|---------------|
| 6 | General Fund--State Appropriation (FY 2006) | \$19,705,000 |
| 7 | General Fund--State Appropriation (FY 2007) | \$39,403,000 |
| 8 | General Fund--Federal Appropriation | \$19,178,000 |
| 9 | General Fund--Private/Local Appropriation | \$1,347,000 |
| 10 | Dedicated Funds and Accounts Appropriation | \$22,274,000 |
| 11 | TOTAL APPROPRIATION | \$104,524,000 |

12 The appropriations in this section shall be expended solely for the
13 purposes designated in this section and are subject to the following
14 conditions and limitations: Funding is provided for the health
15 insurance collective bargaining agreement reached between the governor
16 and the health insurance coalition under the personnel system reform
17 act of 2002 as per the specifications in section 945 of this act. The
18 office of financial management shall update agency appropriations
19 schedules to reflect the addition of the funding in this section, as
20 identified by agency and account in LEAP document 2005-35 dated March
21 28, 2005.

22 NEW SECTION. **Sec. 738. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
23 **COMPENSATION--INSURANCE BENEFITS FOR NONREPRESENTED EMPLOYEES**

| | | |
|----|---|--------------|
| 24 | General Fund--State Appropriation (FY 2006) | \$6,753,000 |
| 25 | General Fund--State Appropriation (FY 2007) | \$3,001,000 |
| 26 | General Fund--Federal Appropriation | \$2,240,000 |
| 27 | General Fund--Private/Local Appropriation | \$178,000 |
| 28 | Dedicated Funds and Accounts Appropriation | \$6,947,000 |
| 29 | TOTAL APPROPRIATION | \$19,119,000 |

30 The appropriations in this section shall be expended solely for the
31 purposes designated in this section and are subject to the following
32 conditions and limitations: Funding is provided for state employee
33 health insurance benefits for nonrepresented state employees as per the
34 specifications in section 945 of this act. The office of financial
35 management shall update agency appropriations schedules to reflect the

1 addition of the funding in this section, as identified by agency and
2 account in LEAP document 2005-34 dated March 28, 2005.

3 NEW SECTION. **Sec. 739. INSURANCE BENEFITS.** The legislature
4 finds that the trend in the rate of medical expense inflation is
5 downward and projects an 8.5% rate of inflation for the 2005-07 fiscal
6 biennium. The funds provided in sections 737 and 738 of this act are
7 anticipated to be sufficient to hold the average employee share of
8 medical insurance premiums to no more than 12% of costs under this 8.5%
9 inflation assumption. If the actual growth in employee medical
10 insurance costs is greater than 8.5%, the legislature intends to
11 appropriate additional funds to cover the cost of inflation, up to a
12 maximum of 11%, in order to maintain the average employee share of
13 medical premiums at no more than 12% for school district employees and
14 for state employees represented by a collective bargaining unit under
15 the personnel system reform act of 2002.

16 NEW SECTION. **Sec. 740. STATE EMPLOYEE INSURANCE BENEFIT**
17 **RESERVE.** \$20,000,000 in the public employees' and retirees' insurance
18 account shall be held in reserve and may be expended only to the extent
19 that the annual rate of employee health insurance premium inflation is
20 greater than 8.5% and shall not be used to expand benefits or to reduce
21 the average employee share of medical insurance premium costs to less
22 than 12%.

23 NEW SECTION. **Sec. 741. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
24 **PENSION CONTRIBUTION ADJUSTMENTS FOR THE PUBLIC SAFETY EMPLOYEES'**
25 **RETIREMENT SYSTEM**

| | | |
|----|---|---------------|
| 26 | General Fund--State Appropriation (FY 2007) | \$4,400,000 |
| 27 | Special Account Retirement Contribution Increase | |
| 28 | Revolving Account Appropriation | (\$3,900,000) |
| 29 | TOTAL APPROPRIATION | \$500,000 |

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

32 (1) The appropriations in this section are provided solely to make
33 adjustments to agency appropriations to reflect the costs associated
34 with the entry of employees into the public safety employees'
35 retirement system as created by chapter 242, Laws of 2004.

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 account retirement
4 contribution increase revolving account in accordance with schedules
5 provided by the office of financial management.

6 **Sec. 742.** 2005 c ... (SHB 1037) s 707 (uncodified) is amended to
7 read as follows:

8 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--HEALTH SERVICES ACCOUNT**
9 General Fund--State Appropriation (FY 2005) (~~(\$45,000,000)~~)
10 \$69,000,000

11 The appropriation in this section is subject to the following
12 conditions and limitations: The appropriation in this section is
13 provided solely for deposit in the health services 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. Rows include: General Fund Appropriation for fire insurance premium distributions (\$6,577,000), General Fund Appropriation for public utility district excise tax distributions (\$45,422,000), General Fund Appropriation for prosecuting attorney distributions (\$3,457,000), General Fund Appropriation for boating safety and education distributions (\$4,430,000), General Fund Appropriation for other tax distributions (\$38,000), Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies (\$1,969,000), Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution (\$147,000), Timber Tax Distribution Account Appropriation for distribution to "timber" counties (\$71,110,000), County Criminal Justice Assistance Appropriation (\$53,914,000), Municipal Criminal Justice Assistance Appropriation (\$21,104,000), Liquor Excise Tax Account Appropriation for liquor excise tax distribution (\$37,413,000), Liquor Revolving Account Appropriation for liquor profits distribution (\$76,186,000), and TOTAL APPROPRIATION (\$330,427,000).

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

1 NEW SECTION. **Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY**
2 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

3 Impaired Driving Safety Account Appropriation \$1,913,400

4 The appropriation in this section is subject to the following
5 conditions and limitations: The amount appropriated in this section
6 shall be distributed quarterly during the 2005-07 biennium in
7 accordance with RCW 82.14.310. This funding is provided to counties
8 for the costs of implementing criminal justice legislation including,
9 but not limited to: Chapter 206, Laws of 1998 (drunk driving
10 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
11 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
12 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
13 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
14 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
15 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
16 215, Laws of 1998 (DUI provisions).

17 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--FOR THE**
18 **MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

19 Impaired Driving Safety Account Appropriation \$1,275,600

20 The appropriation in this section is subject to the following
21 conditions and limitations: The amount appropriated in this section
22 shall be distributed quarterly during the 2005-07 biennium to all
23 cities ratably based on population as last determined by the office of
24 financial management. The distributions to any city that substantially
25 decriminalizes or repeals its criminal code after July 1, 1990, and
26 that does not reimburse the county for costs associated with criminal
27 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
28 which the city is located. This funding is provided to cities for the
29 costs of implementing criminal justice legislation including, but not
30 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
31 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
32 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
33 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
34 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
35 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
36 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
37 Laws of 1998 (DUI provisions).

1 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**
2 **FOR DISTRIBUTION**

3 General Fund Appropriation for federal grazing
4 fees distribution \$1,632,000
5 General Fund Appropriation for federal flood
6 control funds distribution \$68,000
7 Forest Reserve Fund Appropriation for federal
8 forest reserve fund distribution \$84,500,000
9 TOTAL APPROPRIATION \$86,200,000

10 The total expenditures from the state treasury under the
11 appropriations in this section shall not exceed the funds available
12 under statutory distributions for the stated purposes.

13 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS.** For
14 transfers in this section to the state general fund, pursuant to RCW
15 43.135.035(5), the state expenditure limit shall be increased by the
16 amount of the transfer. The increase shall occur in the fiscal year in
17 which the transfer occurs.

18 State Convention and Trade Center Account:
19 For transfer to the state general fund,
20 \$5,150,000 for fiscal year 2006 and \$5,150,000
21 for fiscal year 2007 \$10,300,000

22 General Fund--State Account:
23 For transfer to the tourism development
24 and promotion account, \$150,000 for fiscal
25 year 2006 and \$150,000 for fiscal year 2007 \$300,000

26 Financial Services Regulation Account: For transfer
27 to the state general fund, \$500,000 for
28 fiscal year 2006 and \$500,000 for fiscal
29 year 2007 \$1,000,000

30 Public Works Assistance Account: For
31 transfer to the drinking water
32 assistance account, \$8,400,000 for fiscal
33 year 2006 \$8,400,000

34 Tobacco Settlement Account: For transfer
35 to the health services account, in an
36 amount not to exceed the actual balance
37 of the tobacco settlement account \$185,823,000

1 Health Services Account: For transfer to the
2 state general fund, \$109,000,000 for fiscal
3 year 2006 \$109,000,000
4 Health Services Account: For transfer to the
5 tobacco prevention and control account \$23,366,000
6 Health Services Account: For transfer to the
7 water quality account \$7,885,000
8 Health Services Account: For transfer to the
9 violence reduction and drug enforcement
10 account \$6,932,000
11 Public Employees' and Retirees' Insurance Account:
12 For transfer to the state general fund,
13 \$40,000,000 for fiscal year 2006 and
14 \$45,000,000 for fiscal year 2007 \$85,000,000
15 Department of Retirement Systems Expense Account:
16 For transfer to the state general fund,
17 \$2,000,000 for fiscal year 2006 \$2,000,000
18 Secretary of State's Revolving Account: For
19 transfer to the state general fund, \$250,000
20 for fiscal year 2006 and \$250,000 for
21 fiscal year 2007 \$500,000
22 State Treasurer's Service Account: For transfer
23 to the state general fund, \$5,500,000 for fiscal
24 year 2006 and \$5,000,000 for fiscal year
25 2007 \$10,500,000
26 General Fund: For transfer to the water quality
27 account, \$6,568,000 for fiscal year 2006 and
28 \$6,569,000 for fiscal year 2007 \$13,137,000
29 Water Quality Account: For transfer to the
30 water pollution control revolving account \$10,534,000
31 Drinking Water Assistance Account: For transfer
32 to the drinking water assistance repayment
33 account, an amount not to exceed \$15,000,000
34 Waste Reduction, Recycling, and Litter Control
35 Account: For transfer to the state general
36 fund, \$1,000,000 for fiscal year 2006 and
37 \$1,000,000 for fiscal year 2007 \$2,000,000
38 Public Works Assistance Account: For transfer to

1 the public facility construction loan revolving
2 account, \$4,500,000 for fiscal year 2006 \$4,500,000
3 Student Achievement Account: For transfer to
4 the state general fund, \$87,900,000 for
5 fiscal year 2006 and \$86,800,000 for fiscal
6 year 2007 \$174,700,000
7 Nisqually Earthquake Account: For transfer to
8 the disaster response account, \$3,000,000 for
9 fiscal year 2006 \$3,000,000
10 Natural Resources Equipment Revolving Fund: For
11 transfer to the state general fund for fiscal
12 year 2006 \$1,000,000
13 Judicial Improvement Subaccount: For
14 transfer to the trial court improvement
15 account \$1,440,000

16 NEW SECTION. **Sec. 806. FOR THE STATE TREASURER--TRANSFERS.** For
17 transfers in this section to the state general fund, pursuant to RCW
18 43.135.035(5), the state expenditure limit shall be increased by the
19 amount of the transfer. The increase shall occur in the fiscal year in
20 which the transfer occurs. The transfers are subject to the enactment
21 of Senate Bill No. 5391. If the bill is not enacted by June 30, 2005,
22 the transfers shall not be made.

23 Public Employees' and Retirees' Insurance Account:
24 For transfer to the state general fund,
25 \$5,000,000 for fiscal year 2006 and \$12,000,000
26 for fiscal year 2007 \$17,000,000

27 NEW SECTION. **Sec. 807. FOR THE STATE TREASURER--TRANSFERS.** The
28 state treasurer shall make the following transfers from the state
29 general fund into the reinvesting in youth account, subject to the
30 enactment of Second Substitute House Bill No. 1483 (reinvesting in
31 youth). Pursuant to the bill, these transfers shall be exempt from RCW
32 43.135.035(5). If the bill is not enacted by June 30, 2005, the
33 transfers shall not be made.

34 (1) For fiscal year 2006, the treasurer shall transfer \$319,000
35 from the state general fund to the reinvesting in youth account.

1 (2) For fiscal year 2007, the treasurer shall transfer \$678,000
2 from the state general fund to the reinvesting in youth account.

(End of part)

1 (e) Progress toward enabling electronic access to public
2 information.

3 (3) Each project will be planned and designed to take optimal
4 advantage of Internet technologies and protocols. Agencies shall
5 ensure that the project is in compliance with the architecture,
6 infrastructure, principles, policies, and standards of digital
7 government as maintained by the information services board.

8 (4) The agency shall produce a feasibility study for information
9 technology projects at the direction of the information services board
10 and in accordance with published department of information services
11 policies and guidelines. At a minimum, such studies shall include a
12 statement of: (a) The purpose or impetus for change; (b) the business
13 value to the agency, including an examination and evaluation of
14 benefits, advantages, and cost; (c) a comprehensive risk assessment
15 based on the proposed project's impact on both citizens and state
16 operations, its visibility, and the consequences of doing nothing; (d)
17 the impact on agency and statewide information infrastructure; and (e)
18 the impact of the proposed enhancements to an agency's information
19 technology capabilities on meeting service delivery demands.

20 (5) The agency shall produce a comprehensive management plan for
21 each project. The plan or plans shall address all factors critical to
22 successful completion of each project. The plan(s) shall include, but
23 is not limited to, the following elements: A description of the
24 problem or opportunity that the information technology project is
25 intended to address; a statement of project objectives and assumptions;
26 a definition and schedule of phases, tasks, and activities to be
27 accomplished; and the estimated cost of each phase. The planning for
28 the phased approach shall be such that the business case justification
29 for a project needs to demonstrate how the project recovers cost or
30 adds measurable value or positive cost benefit to the agency's business
31 functions within each development cycle.

32 (6) The agency shall produce quality assurance plans for
33 information technology projects. Consistent with the direction of the
34 information services board and the published policies and guidelines of
35 the department of information services, the quality assurance plan
36 shall address all factors critical to successful completion of the
37 project and successful integration with the agency and state
38 information technology infrastructure. At a minimum, quality assurance

1 plans shall provide time and budget benchmarks against which project
2 progress can be measured, a specification of quality assurance
3 responsibilities, and a statement of reporting requirements. The
4 quality assurance plans shall set out the functionality requirements
5 for each phase of a project.

6 (7) A copy of each feasibility study, project management plan, and
7 quality assurance plan shall be provided to the department of
8 information services, the office of financial management, and
9 legislative fiscal committees. The plans and studies shall demonstrate
10 a sound business case that justifies the investment of taxpayer funds
11 on any new project, an assessment of the impact of the proposed system
12 on the existing information technology infrastructure, the disciplined
13 use of preventative measures to mitigate risk, and the leveraging of
14 private-sector expertise as needed. Authority to expend any funds for
15 individual information systems projects is conditioned on the approval
16 of the relevant feasibility study, project management plan, and quality
17 assurance plan by the department of information services and the office
18 of financial management.

19 (8) Quality assurance status reports shall be submitted to the
20 department of information services, the office of financial management,
21 and legislative fiscal committees at intervals specified in the
22 project's quality assurance plan.

23 NEW SECTION. **Sec. 903. BUSINESS CONTINUITY AND DISASTER**
24 **RECOVERY.** State agencies shall comply with the business continuity and
25 disaster recovery policies, guidelines, and statements of direction
26 developed by the department of information services and the information
27 services board in consultation with state agencies. To ensure that
28 agency business continuity and disaster recovery activities identify
29 the primary risks across state agencies, account for dependencies
30 between agencies, capitalize on economies of scale, and avoid
31 unnecessary duplication of costs and efforts, state agencies shall
32 receive the prior approval of the department of information services
33 before implementing business continuity and disaster recovery
34 strategies and expending funds for business continuity activities.

35 NEW SECTION. **Sec. 904. VIDEO TELECOMMUNICATIONS.** The department
36 of information services shall act as lead agency in coordinating video

1 telecommunications services for state agencies. As lead agency, the
2 department shall develop standards and common specifications for leased
3 and purchased telecommunications equipment and assist state agencies in
4 developing a video telecommunications expenditure plan. No agency may
5 spend any portion of any appropriation in this act for new video
6 telecommunication equipment, new video telecommunication transmission,
7 or new video telecommunication programming, or for expanding current
8 video telecommunication systems without first complying with chapter
9 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
10 without first submitting a video telecommunications expenditure plan,
11 in accordance with the policies of the department of information
12 services, for review and assessment by the department of information
13 services under RCW 43.105.052. Prior to any such expenditure by a
14 public school, a video telecommunications expenditure plan shall be
15 approved by the superintendent of public instruction. The office of
16 the superintendent of public instruction shall submit the plans to the
17 department of information services in a form prescribed by the
18 department. The office of the superintendent of public instruction
19 shall coordinate the use of video telecommunications in public schools
20 by providing educational information to local school districts and
21 shall assist local school districts and educational service districts
22 in telecommunications planning and curriculum development. Prior to
23 any such expenditure by a public institution of postsecondary
24 education, a telecommunications expenditure plan shall be approved by
25 the higher education coordinating board. The higher education
26 coordinating board shall coordinate the use of video telecommunications
27 for instruction and instructional support in postsecondary education,
28 including the review and approval of instructional telecommunications
29 course offerings.

30 NEW SECTION. **Sec. 905. PROGRAM COST SHIFTS.** Any program costs
31 or moneys in this act that are shifted to the general fund from another
32 fund or account require an adjustment to the expenditure limit under
33 RCW 43.135.035(5).

34 NEW SECTION. **Sec. 906. EMERGENCY FUND ALLOCATIONS.** Whenever
35 allocations are made from the governor's emergency fund appropriation
36 to an agency that is financed in whole or in part by other than general

1 fund moneys, the director of financial management may direct the
2 repayment of such allocated amount to the general fund from any balance
3 in the fund or funds which finance the agency. No appropriation shall
4 be necessary to effect such repayment.

5 NEW SECTION. **Sec. 907. STATUTORY APPROPRIATIONS.** In addition
6 to the amounts appropriated in this act for revenues for distribution,
7 state contributions to the law enforcement officers' and fire fighters'
8 retirement system plan 2, and bond retirement and interest including
9 ongoing bond registration and transfer charges, transfers, interest on
10 registered warrants, and certificates of indebtedness, there is also
11 appropriated such further amounts as may be required or available for
12 these purposes under any statutory formula or under chapters 39.94 and
13 39.96 RCW or any proper bond covenant made under law.

14 NEW SECTION. **Sec. 908. BOND EXPENSES.** In addition to such other
15 appropriations as are made by this act, there is hereby appropriated to
16 the state finance committee from legally available bond proceeds in the
17 applicable construction or building funds and accounts such amounts as
18 are necessary to pay the expenses incurred in the issuance and sale of
19 the subject bonds.

20 NEW SECTION. **Sec. 909. VOLUNTARY SEPARATION INCENTIVES.** As a
21 management tool to reduce costs and make more effective use of
22 resources, while improving employee productivity and morale, agencies
23 may offer voluntary separation and/or downshifting incentives and
24 options according to procedures and guidelines established by the
25 department of personnel and the department of retirement systems in
26 consultation with the office of financial management. The options may
27 include, but are not limited to, financial incentives for: Voluntary
28 resignation and retirement, voluntary leave-without-pay, voluntary
29 workweek or work hour reduction, voluntary downward movement, or
30 temporary separation for development purposes. No employee shall have
31 a contractual right to a financial incentive offered pursuant to this
32 section. Agencies shall report on the outcomes of their plans, and
33 offers shall be reviewed and monitored jointly by the department of
34 personnel and the department of retirement systems, for reporting to
35 the office of financial management by December 1, 2006.

1 NEW SECTION. **Sec. 910. VOLUNTARY RETIREMENT INCENTIVES.** It is
2 the intent of the legislature that agencies may implement a voluntary
3 retirement incentive program that is cost neutral or results in cost
4 savings provided that such a program is approved by the director of
5 retirement systems and the office of financial management. Agencies
6 participating in this authorization are required to submit a report by
7 June 30, 2007, to the legislature and the office of financial
8 management on the outcome of their approved retirement incentive
9 program. The report should include information on the details of the
10 program including resulting service delivery changes, agency
11 efficiencies, the cost of the retirement incentive per participant, the
12 total cost to the state, and the projected or actual net dollar savings
13 over the 2005-07 biennium.

14 NEW SECTION. **Sec. 911. AGENCY EXPENDITURES FOR MOTOR VEHICLES.**
15 The use of hybrid motor vehicles reduces air contaminants, greenhouse
16 gas emissions and reliance on imported sources of petroleum. To foster
17 the use of hybrid motor vehicles, beginning July 1, 2005, before the
18 purchase or lease of a motor vehicle, state agencies should first
19 consider the feasibility of hybrid motor vehicles. State agencies
20 should strive to purchase or lease a hybrid motor vehicle when the use
21 of such vehicle is consistent with and can accomplish the agency's
22 mission and when the purchase is financially reasonable. The financial
23 assessment should include savings accruing from reduced fuel purchases
24 over the life of the vehicle. Agencies shall report on their purchases
25 of hybrid vehicles in their biennial sustainability plans as required
26 under executive order 02-03.

27 **Sec. 912.** RCW 28A.160.195 and 2004 c 276 s 904 are each amended to
28 read as follows:

29 (1) The superintendent of public instruction, in consultation with
30 the regional transportation coordinators of the educational service
31 districts, shall establish a minimum number of school bus categories
32 considering the capacity and type of vehicles required by school
33 districts in Washington. The superintendent, in consultation with the
34 regional transportation coordinators of the educational service
35 districts, shall establish competitive specifications for each category
36 of school bus. The categories shall be developed to produce minimum

1 long-range operating costs, including costs of equipment and all costs
2 in operating the vehicles. The categories, for purposes of comparative
3 studies, will be at a minimum the same as those in the beginning of the
4 1994-95 school year. The competitive specifications shall meet federal
5 motor vehicle safety standards, minimum state specifications as
6 established by rule by the superintendent, and supported options as
7 determined by the superintendent in consultation with the regional
8 transportation coordinators of the educational service districts. In
9 fiscal (~~(year 2005)~~) years 2006 and 2007, the superintendent may
10 solicit and accept price quotes for a rear-engine category school bus
11 that shall be reimbursed at the price of the corresponding front engine
12 category.

13 (2) After establishing school bus categories and competitive
14 specifications, the superintendent of public instruction shall solicit
15 competitive price quotes from school bus dealers to be in effect for
16 one year and shall (a) except in fiscal (~~(year 2005)~~) years 2006 and
17 2007, establish a list of the lowest competitive price quotes obtained
18 under this subsection, and (b) in fiscal (~~(year 2005)~~) years 2006 and
19 2007, establish a list of all accepted price quotes in each category
20 obtained under this subsection.

21 (3) The superintendent shall base the level of reimbursement to
22 school districts and educational service districts for school buses on
23 the lowest quote in each category.

24 (4) Notwithstanding RCW 28A.335.190, school districts and
25 educational service districts may purchase at the quoted price directly
26 from the dealer who is providing the lowest competitive price quote on
27 the list established under subsection (2) of this section and in fiscal
28 (~~(year 2005)~~) years 2006 and 2007 from any dealer on the list
29 established under subsection (2)(b) of this section. School districts
30 and educational service districts may make their own selections for
31 school buses, but shall be reimbursed at the rates determined under
32 subsection (3) of this section and RCW 28A.160.200. District-selected
33 options shall not be reimbursed by the state. For the (~~(2003-05)~~)
34 2005-2007 fiscal biennium, school districts and educational service
35 districts shall be reimbursed for buses purchased only through a
36 lowest-price competitive bid process conducted pursuant to RCW
37 28A.335.190 or through the state bid process established by this
38 section.

1 (5) This section does not prohibit school districts or educational
2 service districts from conducting their own competitive bid process.

3 (6) The superintendent of public instruction may adopt rules under
4 chapter 34.05 RCW to implement this section.

5 **Sec. 913.** RCW 28A.305.210 and 2003 1st sp.s. c 25 s 911 are each
6 amended to read as follows:

7 (1) The state board of education, by rule or regulation, may
8 require the assistance of educational service district boards and/or
9 superintendents in the performance of any duty, authority, or power
10 imposed upon or granted to the state board of education by law, upon
11 such terms and conditions as the state board of education shall
12 establish. Such authority to assist the state board of education shall
13 be limited to the service function of information collection and
14 dissemination and the attestment to the accuracy and completeness of
15 submitted information.

16 (2) During the ((2003-05)) 2005-2007 biennium, educational service
17 districts may, at the request of the state board of education, receive
18 and screen applications for school accreditation, conduct school
19 accreditation site visits pursuant to state board of education rules,
20 and submit to the state board of education postsite visit
21 recommendations for school accreditation. The educational service
22 districts may assess a cooperative service fee to recover actual plus
23 reasonable indirect costs for the purposes of this subsection.

24 **Sec. 914.** RCW 28A.500.030 and 2003 1st sp.s. c 25 s 912 are each
25 amended to read as follows:

26 Allocation of state matching funds to eligible districts for local
27 effort assistance shall be determined as follows:

28 (1) Funds raised by the district through maintenance and operation
29 levies shall be matched with state funds using the following ratio of
30 state funds to levy funds:

31 (a) The difference between the district's twelve percent levy rate
32 and the statewide average twelve percent levy rate; to

33 (b) The statewide average twelve percent levy rate.

34 (2) The maximum amount of state matching funds for districts
35 eligible for local effort assistance shall be the district's twelve
36 percent levy amount, multiplied by the following percentage:

1 (a) The difference between the district's twelve percent levy rate
2 and the statewide average twelve percent levy rate; divided by

3 (b) The district's twelve percent levy rate.

4 (3) Calendar year 2003 allocations and maximum eligibility under
5 this chapter shall be multiplied by 0.99.

6 (4) From January 1, 2004, to (~~June 30,~~) December 31, 2005,
7 allocations and maximum eligibility under this chapter shall be
8 multiplied by 0.937.

9 (5) From January 1, 2006, to June 30, 2007, allocations and maximum
10 eligibility under this chapter shall be multiplied by 0.885.

11 **Sec. 915.** RCW 28A.600.110 and 2004 c 275 s 46 are each amended to
12 read as follows:

13 There is established by the legislature of the state of Washington
14 the Washington state scholars program. The purposes of this program
15 annually are to:

16 (1) Provide for the selection of three seniors residing in each
17 legislative district in the state graduating from high schools who have
18 distinguished themselves academically among their peers, except that
19 during the 2005-2007 fiscal biennium, no more than two seniors may be
20 selected.

21 (2) Maximize public awareness of the academic achievement,
22 leadership ability, and community contribution of Washington state
23 public and private high school seniors through appropriate recognition
24 ceremonies and events at both the local and state level.

25 (3) Provide a listing of the Washington scholars to all Washington
26 state public and private colleges and universities to facilitate
27 communication regarding academic programs and scholarship availability.

28 (4) Make available a state level mechanism for utilization of
29 private funds for scholarship awards to outstanding high school
30 seniors.

31 (5) Provide, on written request and with student permission, a
32 listing of the Washington scholars to private scholarship selection
33 committees for notification of scholarship availability.

34 (6) Permit a waiver of tuition and services and activities fees as
35 provided for in RCW 28B.15.543 and grants under RCW 28B.76.660.

1 **Sec. 916.** RCW 28A.600.150 and 1999 c 159 s 2 are each amended to
2 read as follows:

3 Each year, three Washington scholars and one Washington scholars-
4 alternate shall be selected from the students nominated under RCW
5 28A.600.140, except that during the 2005-2007 fiscal biennium, no more
6 than two scholars shall be selected. The higher education coordinating
7 board shall notify the students so designated, their high school
8 principals, the legislators of their respective districts, and the
9 governor when final selections have been made.

10 The board, in conjunction with the governor's office, shall prepare
11 appropriate certificates to be presented to the Washington scholars and
12 the Washington scholars-alternates. An awards ceremony at an
13 appropriate time and place shall be planned by the board in cooperation
14 with the Washington association of secondary school principals, and
15 with the approval of the governor.

16 **Sec. 917.** RCW 28B.102.040 and 2004 c 276 s 905, 2004 c 275 s 68,
17 and 2004 c 58 s 4 are each reenacted and amended to read as follows:

18 (1) The board may select participants based on an application
19 process conducted by the board or the board may utilize selection
20 processes for similar students in cooperation with the professional
21 educator standards board or the office of the superintendent of public
22 instruction.

23 (2) If the board selects participants for the program, it shall
24 establish a selection committee for screening and selecting recipients
25 of the conditional scholarships. The criteria shall emphasize factors
26 demonstrating excellence including but not limited to superior
27 scholastic achievement, leadership ability, community contributions,
28 bilingual ability, willingness to commit to providing teaching service
29 in shortage areas, and an ability to act as a role model for students.
30 Priority will be given to individuals seeking certification or an
31 additional endorsement in math, science, technology, or special
32 education.

33 (~~Subject to enactment of chapter 58, Laws of 2004,~~) For fiscal
34 years ((2005)) 2006 and 2007, additional priority shall be given to
35 such individuals who are also bilingual. It is the intent of the
36 legislature to develop a pool of dual-language teachers in order to

1 meet the challenge of educating students who are dominant in languages
2 other than English.

3 **Sec. 918.** RCW 28B.119.010 and 2004 c 275 s 60 are each amended to
4 read as follows:

5 The higher education coordinating board shall design the Washington
6 promise scholarship program based on the following parameters:

7 (1) Scholarships shall be awarded to students graduating from
8 public and approved private high schools under chapter 28A.195 RCW,
9 students participating in home-based instruction as provided in chapter
10 28A.200 RCW, and persons twenty-one years of age or younger receiving
11 a GED certificate, who meet both an academic and a financial
12 eligibility criteria.

13 (a) Academic eligibility criteria shall be defined as follows:

14 (i) ~~((Beginning with the graduating class of 2002,))~~ Students
15 graduating from public and approved private high schools under chapter
16 28A.195 RCW must be in the top fifteen percent of their graduating
17 class, as identified by each respective high school at the completion
18 of the first term of the student's senior year. For the 2005-07 fiscal
19 biennium if the fall term enrollment of the current senior class is not
20 available to the superintendent in a timely manner then the number of
21 seniors that may be identified is equal to the previous year's fall
22 term senior class enrollment; or

23 (ii) Students graduating from public high schools, approved private
24 high schools under chapter 28A.195 RCW, students participating in home-
25 based instruction as provided in chapter 28A.200 RCW, and persons
26 twenty-one years of age or younger receiving a GED certificate, must on
27 their first attempt equal or exceed a cumulative ~~((scholastic~~
28 ~~assessment test I score of twelve hundred on their first attempt or~~
29 ~~must equal or exceed a composite))~~ score on either the scholastic
30 assessment test (SAT) I or the American college test ((score of twenty-
31 seven on their first attempt)) (ACT) that represents performance in the
32 top fifteen percent of students taking the test.

33 (b) To meet the financial eligibility criteria, a student's family
34 income shall not exceed one hundred thirty-five percent or, for the
35 2005-07 fiscal biennium, one hundred twenty percent of the state median
36 family income adjusted for family size, as determined by the higher
37 education coordinating board for each graduating class. Students not

1 meeting the eligibility requirements for the first year of scholarship
2 benefits may reapply for the second year of benefits, but must still
3 meet the income standard set by the board for the student's graduating
4 class.

5 (2) Promise scholarships are not intended to supplant any grant,
6 scholarship, or tax program related to postsecondary education. If the
7 board finds that promise scholarships supplant or reduce any grant,
8 scholarship, or tax program for categories of students, then the board
9 shall adjust the financial eligibility criteria or the amount of
10 scholarship to the level necessary to avoid supplanting.

11 (3) Within available funds, each qualifying student shall receive
12 two consecutive annual awards, the value of each not to exceed the
13 full-time annual resident tuition rates charged by Washington's
14 community colleges. The higher education coordinating board shall
15 award scholarships to as many students as possible from among those
16 qualifying under this section.

17 (4) By October 15th of each year, the board shall determine the
18 award amount of the scholarships, after taking into consideration the
19 availability of funds.

20 (5) The scholarships may only be used for undergraduate coursework
21 at accredited institutions of higher education in the state of
22 Washington.

23 (6) The scholarships may be used for undergraduate coursework at
24 Oregon institutions of higher education that are part of the border
25 county higher education opportunity project in RCW 28B.76.685 when
26 those institutions offer programs not available at accredited
27 institutions of higher education in Washington state.

28 (7) The scholarships may be used for college-related expenses,
29 including but not limited to, tuition, room and board, books, and
30 materials.

31 (8) The scholarships may not be awarded to any student who is
32 pursuing a degree in theology.

33 (9) The higher education coordinating board may establish
34 satisfactory progress standards for the continued receipt of the
35 promise scholarship.

36 (10) The higher education coordinating board shall establish the
37 time frame within which the student must use the scholarship.

1 **Sec. 919.** RCW 41.05.065 and 2003 c 158 s 2 are each amended to
2 read as follows:

3 (1) The board shall study all matters connected with the provision
4 of health care coverage, life insurance, liability insurance,
5 accidental death and dismemberment insurance, and disability income
6 insurance or any of, or a combination of, the enumerated types of
7 insurance for employees and their dependents on the best basis possible
8 with relation both to the welfare of the employees and to the state.
9 However, liability insurance shall not be made available to dependents.

10 (2) The board shall develop employee benefit plans that include
11 comprehensive health care benefits for all employees. In developing
12 these plans, the board shall consider the following elements:

13 (a) Methods of maximizing cost containment while ensuring access to
14 quality health care;

15 (b) Development of provider arrangements that encourage cost
16 containment and ensure access to quality care, including but not
17 limited to prepaid delivery systems and prospective payment methods;

18 (c) Wellness incentives that focus on proven strategies, such as
19 smoking cessation, injury and accident prevention, reduction of alcohol
20 misuse, appropriate weight reduction, exercise, automobile and
21 motorcycle safety, blood cholesterol reduction, and nutrition
22 education;

23 (d) Utilization review procedures including, but not limited to a
24 cost-efficient method for prior authorization of services, hospital
25 inpatient length of stay review, requirements for use of outpatient
26 surgeries and second opinions for surgeries, review of invoices or
27 claims submitted by service providers, and performance audit of
28 providers;

29 (e) Effective coordination of benefits;

30 (f) Minimum standards for insuring entities; and

31 (g) Minimum scope and content of public employee benefit plans to
32 be offered to enrollees participating in the employee health benefit
33 plans. To maintain the comprehensive nature of employee health care
34 benefits, employee eligibility criteria related to the number of hours
35 worked and the benefits provided to employees shall be substantially
36 equivalent to the state employees' health benefits plan and eligibility
37 criteria in effect on January 1, 1993. Nothing in this subsection

1 (2)(g) shall prohibit changes or increases in employee point-of-service
2 payments or employee premium payments for benefits.

3 (3) The board shall design benefits and determine the terms and
4 conditions of employee participation and coverage, including
5 establishment of eligibility criteria. The same terms and conditions
6 of participation and coverage, including eligibility criteria, shall
7 apply to state employees and to school district employees and
8 educational service district employees.

9 (4) The board may authorize premium contributions for an employee
10 and the employee's dependents in a manner that encourages the use of
11 cost-efficient managed health care systems. During the 2005-2007
12 fiscal biennium, the board may only authorize premium contributions for
13 an employee and the employee's dependents that are the same, regardless
14 of an employee's status as represented or nonrepresented by a
15 collective bargaining unit under the personnel system reform act of
16 2002. The board shall require participating school district and
17 educational service district employees to pay at least the same
18 employee premiums by plan and family size as state employees pay.

19 (5) Employees shall choose participation in one of the health care
20 benefit plans developed by the board and may be permitted to waive
21 coverage under terms and conditions established by the board.

22 (6) The board shall review plans proposed by insuring entities that
23 desire to offer property insurance and/or accident and casualty
24 insurance to state employees through payroll deduction. The board may
25 approve any such plan for payroll deduction by insuring entities
26 holding a valid certificate of authority in the state of Washington and
27 which the board determines to be in the best interests of employees and
28 the state. The board shall promulgate rules setting forth criteria by
29 which it shall evaluate the plans.

30 (7) Before January 1, 1998, the public employees' benefits board
31 shall make available one or more fully insured long-term care insurance
32 plans that comply with the requirements of chapter 48.84 RCW. Such
33 programs shall be made available to eligible employees, retired
34 employees, and retired school employees as well as eligible dependents
35 which, for the purpose of this section, includes the parents of the
36 employee or retiree and the parents of the spouse of the employee or
37 retiree. Employees of local governments and employees of political
38 subdivisions not otherwise enrolled in the public employees' benefits

1 board sponsored medical programs may enroll under terms and conditions
2 established by the administrator, if it does not jeopardize the
3 financial viability of the public employees' benefits board's long-term
4 care offering.

5 (a) Participation of eligible employees or retired employees and
6 retired school employees in any long-term care insurance plan made
7 available by the public employees' benefits board is voluntary and
8 shall not be subject to binding arbitration under chapter 41.56 RCW.
9 Participation is subject to reasonable underwriting guidelines and
10 eligibility rules established by the public employees' benefits board
11 and the health care authority.

12 (b) The employee, retired employee, and retired school employee are
13 solely responsible for the payment of the premium rates developed by
14 the health care authority. The health care authority is authorized to
15 charge a reasonable administrative fee in addition to the premium
16 charged by the long-term care insurer, which shall include the health
17 care authority's cost of administration, marketing, and consumer
18 education materials prepared by the health care authority and the
19 office of the insurance commissioner.

20 (c) To the extent administratively possible, the state shall
21 establish an automatic payroll or pension deduction system for the
22 payment of the long-term care insurance premiums.

23 (d) The public employees' benefits board and the health care
24 authority shall establish a technical advisory committee to provide
25 advice in the development of the benefit design and establishment of
26 underwriting guidelines and eligibility rules. The committee shall
27 also advise the board and authority on effective and cost-effective
28 ways to market and distribute the long-term care product. The
29 technical advisory committee shall be comprised, at a minimum, of
30 representatives of the office of the insurance commissioner, providers
31 of long-term care services, licensed insurance agents with expertise in
32 long-term care insurance, employees, retired employees, retired school
33 employees, and other interested parties determined to be appropriate by
34 the board.

35 (e) The health care authority shall offer employees, retired
36 employees, and retired school employees the option of purchasing long-
37 term care insurance through licensed agents or brokers appointed by the
38 long-term care insurer. The authority, in consultation with the public

1 employees' benefits board, shall establish marketing procedures and may
2 consider all premium components as a part of the contract negotiations
3 with the long-term care insurer.

4 (f) In developing the long-term care insurance benefit designs, the
5 public employees' benefits board shall include an alternative plan of
6 care benefit, including adult day services, as approved by the office
7 of the insurance commissioner.

8 (g) The health care authority, with the cooperation of the office
9 of the insurance commissioner, shall develop a consumer education
10 program for the eligible employees, retired employees, and retired
11 school employees designed to provide education on the potential need
12 for long-term care, methods of financing long-term care, and the
13 availability of long-term care insurance products including the
14 products offered by the board.

15 (h) By December 1998, the health care authority, in consultation
16 with the public employees' benefits board, shall submit a report to the
17 appropriate committees of the legislature, including an analysis of the
18 marketing and distribution of the long-term care insurance provided
19 under this section.

20 **Sec. 920.** RCW 41.05.120 and 1994 c 153 s 9 are each amended to
21 read as follows:

22 (1) The public employees' and retirees' insurance account is hereby
23 established in the custody of the state treasurer, to be used by the
24 administrator for the deposit of contributions, the remittance paid by
25 school districts and educational service districts (~~under RCW~~
26 ~~28A.400.400~~)), reserves, dividends, and refunds, and for payment of
27 premiums for employee and retiree insurance benefit contracts and
28 subsidy amounts provided under RCW 41.05.085. Moneys from the account
29 shall be disbursed by the state treasurer by warrants on vouchers duly
30 authorized by the administrator.

31 (2) The state treasurer and the state investment board may invest
32 moneys in the public employees' and retirees' insurance account. All
33 such investments shall be in accordance with RCW 43.84.080 or
34 43.84.150, whichever is applicable. The administrator shall determine
35 whether the state treasurer or the state investment board or both shall
36 invest moneys in the public employees' insurance account.

1 (3) During the 2005-07 fiscal biennium, the legislature may
2 transfer from the public employees' and retirees' insurance account
3 such amounts as reflect the excess fund balance of the fund.

4 **Sec. 921.** RCW 41.50.110 and 2003 1st sp.s. c 25 s 914 are each
5 amended to read as follows:

6 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
7 section, all expenses of the administration of the department, the
8 expenses of administration of the retirement systems, and the expenses
9 of the administration of the office of the state actuary created in
10 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 43.43, and
11 44.44 RCW shall be paid from the department of retirement systems
12 expense fund.

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

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

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

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

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

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

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

14 (6) Expenses other than those under RCW 41.34.060(3) shall be paid
15 pursuant to subsection (1) of this section.

16 (7) During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature
17 may transfer from the department of retirement systems' expense fund to
18 the state general fund such amounts as reflect the excess fund balance
19 of the fund.

20 **Sec. 922.** RCW 41.50.110 and 2004 c 242 s 46 are each amended to
21 read as follows:

22 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
23 section, all expenses of the administration of the department, the
24 expenses of administration of the retirement systems, and the expenses
25 of the administration of the office of the state actuary created in
26 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43,
27 and 44.44 RCW shall be paid from the department of retirement systems
28 expense fund.

29 (2) In order to reimburse the department of retirement systems
30 expense fund on an equitable basis the department shall ascertain and
31 report to each employer, as defined in RCW 41.26.030, 41.32.010,
32 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its
33 proportional share of the entire expense of the administration of the
34 retirement system that the employer participates in during the ensuing
35 biennium or fiscal year whichever may be required. Such sum is to be
36 computed in an amount directly proportional to the estimated entire
37 expense of the administration as the ratio of monthly salaries of the

1 employer's members bears to the total salaries of all members in the
2 entire system. It shall then be the duty of all such employers to
3 include in their budgets or otherwise provide the amounts so required.

4 (3) The department shall compute and bill each employer, as defined
5 in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the
6 end of each month for the amount due for that month to the department
7 of retirement systems expense fund and the same shall be paid as are
8 its other obligations. Such computation as to each employer shall be
9 made on a percentage rate of salary established by the department.
10 However, the department may at its discretion establish a system of
11 billing based upon calendar year quarters in which event the said
12 billing shall be at the end of each such quarter.

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

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

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

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

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

29 (6) Expenses other than those under RCW 41.34.060(3) shall be paid
30 pursuant to subsection (1) of this section.

31 (7) During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature
32 may transfer from the department of retirement systems' expense fund to
33 the state general fund such amounts as reflect the excess fund balance
34 of the fund.

35 **Sec. 923.** RCW 43.07.130 and 1994 c 211 s 1311 are each amended to
36 read as follows:

37 There is created within the state treasury a revolving fund, to be

1 known as the "secretary of state's revolving fund," which shall be used
2 by the office of the secretary of state to defray the costs of
3 printing, reprinting, or distributing printed matter authorized by law
4 to be issued by the office of the secretary of state, and any other
5 cost of carrying out the functions of the secretary of state under
6 Title 23B RCW, or chapters 18.100, 23.86, 23.90, 24.03, 24.06, 24.12,
7 24.20, 24.24, 24.28, 24.36, 25.15, or 25.10 RCW.

8 The secretary of state is hereby authorized to charge a fee for
9 such publications in an amount which will compensate for the costs of
10 printing, reprinting, and distributing such printed matter. Fees
11 recovered by the secretary of state under RCW 43.07.120(2), 23B.01.220
12 (1)(e), (6) and (7), 23B.18.050, 24.03.410, 24.06.455, or 46.64.040,
13 and such other moneys as are expressly designated for deposit in the
14 secretary of state's revolving fund shall be placed in the secretary of
15 state's revolving fund.

16 During the 2005-2007 fiscal biennium, the legislature may transfer
17 from the secretary of state's revolving fund to the state general fund
18 such amounts as reflect the excess fund balance of the fund.

19 **Sec. 924.** RCW 43.08.190 and 2003 1st sp.s. c 25 s 916 are each
20 amended to read as follows:

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

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

35 During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature may
36 transfer from the state treasurer's service fund to the state general
37 fund such amounts as reflect the excess fund balance of the fund.

1 **Sec. 925.** RCW 43.08.250 and 2003 1st sp.s. c 25 s 918 are each
2 amended to read as follows:

3 The money received by the state treasurer from fees, fines,
4 forfeitures, penalties, reimbursements or assessments by any court
5 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
6 deposited in the public safety and education account which is hereby
7 created in the state treasury. The legislature shall appropriate the
8 funds in the account to promote traffic safety education, highway
9 safety, criminal justice training, crime victims' compensation,
10 judicial education, the judicial information system, civil
11 representation of indigent persons, winter recreation parking, drug
12 court operations, and state game programs. During the fiscal biennium
13 ending June 30, ((2005)) 2007, the legislature may appropriate moneys
14 from the public safety and education account for purposes of appellate
15 indigent defense and other operations of the office of public defense,
16 the criminal litigation unit of the attorney general's office, the
17 treatment alternatives to street crimes program, crime victims advocacy
18 programs, justice information network telecommunication planning,
19 treatment for supplemental security income clients, sexual assault
20 treatment, operations of the office of administrator for the courts,
21 security in the common schools, alternative school start-up grants,
22 programs for disruptive students, criminal justice data collection,
23 Washington state patrol criminal justice activities, drug court
24 operations, unified family courts, local court backlog assistance,
25 financial assistance to local jurisdictions for extraordinary costs
26 incurred in the adjudication of criminal cases, domestic violence
27 treatment and related services, the department of corrections' costs in
28 implementing chapter 196, Laws of 1999, reimbursement of local
29 governments for costs associated with implementing criminal and civil
30 justice legislation, the replacement of the department of corrections'
31 offender-based tracking system, secure and semi-secure crisis
32 residential centers, HOPE beds, the family policy council and community
33 public health and safety networks, the street youth program, public
34 notification about registered sex offenders, and narcotics or
35 methamphetamine-related enforcement, education, training, and drug and
36 alcohol treatment services.

1 **Sec. 926.** RCW 43.10.180 and 2003 1st sp.s. c 25 s 917 are each
2 amended to read as follows:

3 (1) The attorney general shall keep such records as are necessary
4 to facilitate proper allocation of costs to funds and agencies served
5 and the director of financial management shall prescribe appropriate
6 accounting procedures to accurately allocate costs to funds and
7 agencies served. Billings shall be adjusted in line with actual costs
8 incurred at intervals not to exceed six months.

9 (2) During the ((2003-05)) 2005-2007 fiscal biennium, all expenses
10 for administration of the office of the attorney general shall be
11 allocated to and paid from the legal services revolving fund in
12 accordance with accounting procedures prescribed by the director of
13 financial management.

14 **Sec. 927.** RCW 43.30.305 and 2003 c 334 s 120 are each amended to
15 read as follows:

16 A revolving fund in the custody of the state treasurer, to be known
17 as the natural resources equipment fund, is hereby created to be
18 expended by the department without appropriation solely for the
19 purchase of equipment, machinery, and supplies for the use of the
20 department and for the payment of the costs of repair and maintenance
21 of such equipment, machinery, and supplies. During the 2005-2007
22 fiscal biennium the legislature may transfer such amounts as represent
23 the excess balance of the fund to the state general fund.

24 **Sec. 928.** RCW 43.43.944 and 2003 1st sp.s. c 25 s 919 are each
25 amended to read as follows:

26 (1) The fire service training account is hereby established in the
27 state treasury. The fund shall consist of:

28 (a) All fees received by the Washington state patrol for fire
29 service training;

30 (b) All grants and bequests accepted by the Washington state patrol
31 under RCW 43.43.940; and

32 (c) Twenty percent of all moneys received by the state on fire
33 insurance premiums.

34 (2) Moneys in the account may be appropriated only for fire service
35 training. During the ((2003-2005)) 2005-2007 fiscal biennium, the

1 legislature may appropriate funds from this account for school fire
2 prevention activities within the Washington state patrol.

3 **Sec. 929.** RCW 43.72.900 and 2003 c 259 s 1 are each amended to
4 read as follows:

5 (1) The health services account is created in the state treasury.
6 Moneys in the account may be spent only after appropriation. Subject
7 to the transfers described in subsection (3) of this section, moneys in
8 the account may be expended only for maintaining and expanding health
9 services access for low-income residents, maintaining and expanding the
10 public health system, maintaining and improving the capacity of the
11 health care system, containing health care costs, and the regulation,
12 planning, and administering of the health care system.

13 (2) Funds deposited into the health services account under RCW
14 82.24.028 and 82.26.028 shall be used solely as follows:

15 (a) Five million dollars for the state fiscal year beginning July
16 1, 2002, and five million dollars for the state fiscal year beginning
17 July 1, 2003, shall be appropriated by the legislature for programs
18 that effectively improve the health of low-income persons, including
19 efforts to reduce diseases and illnesses that harm low-income persons.
20 The department of health shall submit a report to the legislature on
21 March 1, 2002, evaluating the cost-effectiveness of programs that
22 improve the health of low-income persons and address diseases and
23 illnesses that disproportionately affect low-income persons, and making
24 recommendations to the legislature on which of these programs could
25 most effectively utilize the funds appropriated under this subsection.

26 (b) Ten percent of the funds deposited into the health services
27 account under RCW 82.24.028 and 82.26.028 remaining after the
28 appropriation under (a) of this subsection shall be transferred no less
29 frequently than annually by the treasurer to the tobacco prevention and
30 control account established by RCW 43.79.480. The funds transferred
31 shall be used exclusively for implementation of the Washington state
32 tobacco prevention and control plan and shall be used only to
33 supplement, and not supplant, funds in the tobacco prevention and
34 control account as of January 1, 2001, however, these funds may be used
35 to replace funds appropriated by the legislature for further
36 implementation of the Washington state tobacco prevention and control
37 plan for the biennium beginning July 1, 2001. For each state fiscal

1 year beginning on and after July 1, 2002, the legislature shall
2 appropriate no less than twenty-six million two hundred forty thousand
3 dollars from the tobacco prevention and control account for
4 implementation of the Washington state tobacco prevention and control
5 plan.

6 (c) Because of its demonstrated effectiveness in improving the
7 health of low-income persons and addressing illnesses and diseases that
8 harm low-income persons, the remainder of the funds deposited into the
9 health services account under RCW 82.24.028 and 82.26.028 shall be
10 appropriated solely for Washington basic health plan enrollment as
11 provided in chapter 70.47 RCW. Funds appropriated under this
12 subsection may be used to support outreach and enrollment activities
13 only to the extent necessary to achieve the enrollment goals described
14 in this section.

15 (3) Prior to expenditure for the purposes described in subsection
16 (2) of this section, funds deposited into the health services account
17 under RCW 82.24.028 and 82.26.028 shall first be transferred to the
18 following accounts to ensure the continued availability of previously
19 dedicated revenues for certain existing programs:

20 (a) To the violence reduction and drug enforcement account under
21 RCW 69.50.520, two million two hundred forty-nine thousand five hundred
22 dollars for the state fiscal year beginning July 1, 2001, four million
23 two hundred forty-eight thousand dollars for the state fiscal year
24 beginning July 1, 2002, seven million seven hundred eighty-nine
25 thousand dollars for the biennium beginning July 1, 2003, six million
26 nine hundred thirty-two thousand dollars for the biennium beginning
27 July 1, 2005, and six million nine hundred thirty-two thousand dollars
28 for each biennium thereafter, as required by RCW 82.24.020(2);

29 (b) To the health services account under this section, nine million
30 seventy-seven thousand dollars for the state fiscal year beginning July
31 1, 2001, seventeen million one hundred eighty-eight thousand dollars
32 for the state fiscal year beginning July 1, 2002, thirty-one million
33 seven hundred fifty-five thousand dollars for the biennium beginning
34 July 1, 2003, twenty-eight million six hundred twenty-two thousand
35 dollars for the biennium beginning July 1, 2005, and twenty-eight
36 million six hundred twenty-two thousand dollars for each biennium
37 thereafter, as required by RCW 82.24.020(3); and

1 (c) To the water quality account under RCW 70.146.030, two million
2 two hundred three thousand five hundred dollars for the state fiscal
3 year beginning July 1, 2001, four million two hundred forty-four
4 thousand dollars for the state fiscal year beginning July 1, 2002,
5 eight million one hundred eighty-two thousand dollars for the biennium
6 beginning July 1, 2003, seven million eight hundred eighty-five
7 thousand dollars for the biennium beginning July 1, 2005, and seven
8 million eight hundred eighty-five thousand dollars for each biennium
9 thereafter, as required by RCW 82.24.027(2)(a).

10 During the ((2001-2003)) 2005-2007 fiscal biennium, the legislature
11 may transfer from the health services account such amounts as reflect
12 the excess fund balance of the account to the state general fund.

13 **Sec. 930.** RCW 43.135.045 and 2003 1st sp.s. c 25 s 920 are each
14 amended to read as follows:

15 (1) The emergency reserve fund is established in the state
16 treasury. During each fiscal year, the state treasurer shall deposit
17 in the emergency reserve fund all general fund--state revenues in
18 excess of the state expenditure limit for that fiscal year. Deposits
19 shall be made at the end of each fiscal quarter based on projections of
20 state revenues and the state expenditure limit. The treasurer shall
21 make transfers between these accounts as necessary to reconcile actual
22 annual revenues and the expenditure limit for fiscal year 2000 and
23 thereafter.

24 (2) The legislature may appropriate moneys from the emergency
25 reserve fund only with approval of at least two-thirds of the members
26 of each house of the legislature, and then only if the appropriation
27 does not cause total expenditures to exceed the state expenditure limit
28 under this chapter.

29 (3) The emergency reserve fund balance shall not exceed five
30 percent of annual general fund--state revenues as projected by the
31 official state revenue forecast. Any balance in excess of five percent
32 shall be transferred on a quarterly basis by the state treasurer as
33 follows: Seventy-five percent to the student achievement fund hereby
34 created in the state treasury and twenty-five percent to the general
35 fund balance. The treasurer shall make transfers between these
36 accounts as necessary to reconcile actual annual revenues for fiscal
37 year 2000 and thereafter. When per-student state funding for the

1 maintenance and operation of K-12 education meets a level of no less
2 than ninety percent of the national average of total funding from all
3 sources per student as determined by the most recent published data
4 from the national center for education statistics of the United States
5 department of education, as calculated by the office of financial
6 management, further deposits to the student achievement fund shall be
7 required only to the extent necessary to maintain the ninety-percent
8 level. Remaining funds are part of the general fund balance and these
9 funds are subject to the expenditure limits of this chapter.

10 (4) The education construction fund is hereby created in the state
11 treasury.

12 (a) Funds may be appropriated from the education construction fund
13 exclusively for common school construction or higher education
14 construction.

15 (b) Funds may be appropriated for any other purpose only if
16 approved by a two-thirds vote of each house of the legislature and if
17 approved by a vote of the people at the next general election. An
18 appropriation approved by the people under this subsection shall result
19 in an adjustment to the state expenditure limit only for the fiscal
20 period for which the appropriation is made and shall not affect any
21 subsequent fiscal period.

22 (5) Funds from the student achievement fund shall be appropriated
23 to the superintendent of public instruction strictly for distribution
24 to school districts to meet the provisions set out in the student
25 achievement act. Allocations shall be made on an equal per full-time
26 equivalent student basis to each school district.

27 (6) Earnings of the emergency reserve fund under RCW
28 43.84.092(4)(a) shall be transferred quarterly to the multimodal
29 transportation account, except for those earnings that are in excess of
30 thirty-five million dollars each fiscal year. Within thirty days
31 following any fiscal year in which earnings transferred to the
32 multimodal transportation account under this subsection did not total
33 thirty-five million dollars, the state treasurer shall transfer from
34 the emergency reserve fund an amount necessary to bring the total
35 deposited in the multimodal transportation account under this
36 subsection to thirty-five million dollars. The revenues to the
37 multimodal transportation account reflected in this subsection provide
38 ongoing support for the transportation programs of the state. However,

1 it is the intent of the legislature that any new long-term financial
2 support that may be subsequently provided for transportation programs
3 will be used to replace and supplant the revenues reflected in this
4 subsection, thereby allowing those revenues to be returned to the
5 purposes to which they were previously dedicated. No transfers from
6 the emergency reserve fund to the multimodal fund shall be made during
7 the ((2003-05)) 2005-2007 fiscal biennium.

8 **Sec. 931.** RCW 43.320.110 and 2003 1st sp.s. c 25 s 921 and 2003 c
9 288 s 1 are each reenacted and amended to read as follows:

10 There is created a local fund known as the "financial services
11 regulation fund" which shall consist of all moneys received by the
12 divisions of the department of financial institutions, except for the
13 division of securities which shall deposit thirteen percent of all
14 moneys received, except as provided in RCW 43.320.115, and which shall
15 be used for the purchase of supplies and necessary equipment; the
16 payment of salaries, wages, and utilities; the establishment of
17 reserves; and other incidental costs required for the proper regulation
18 of individuals and entities subject to regulation by the department.
19 The state treasurer shall be the custodian of the fund. Disbursements
20 from the fund shall be on authorization of the director of financial
21 institutions or the director's designee. In order to maintain an
22 effective expenditure and revenue control, the fund shall be subject in
23 all respects to chapter 43.88 RCW, but no appropriation is required to
24 permit expenditures and payment of obligations from the fund.

25 During the 2005-2007 fiscal biennium, the legislature may transfer
26 from the financial services regulation fund to the state general fund
27 such amounts as reflect the excess fund balance of the fund.

28 **Sec. 932.** RCW 50.16.010 and 2003 2nd sp.s. c 4 s 23 and 2003 1st
29 sp.s. c 25 s 925 are each reenacted and amended to read as follows:

30 (1) There shall be maintained as special funds, separate and apart
31 from all public moneys or funds of this state an unemployment
32 compensation fund, an administrative contingency fund, and a federal
33 interest payment fund, which shall be administered by the commissioner
34 exclusively for the purposes of this title, and to which RCW 43.01.050
35 shall not be applicable.

36 (2)(a) The unemployment compensation fund shall consist of:

1 (i) All contributions collected under RCW 50.24.010 and payments in
2 lieu of contributions collected pursuant to the provisions of this
3 title;

4 (ii) Any property or securities acquired through the use of moneys
5 belonging to the fund;

6 (iii) All earnings of such property or securities;

7 (iv) Any moneys received from the federal unemployment account in
8 the unemployment trust fund in accordance with Title XII of the social
9 security act, as amended;

10 (v) All money recovered on official bonds for losses sustained by
11 the fund;

12 (vi) All money credited to this state's account in the unemployment
13 trust fund pursuant to section 903 of the social security act, as
14 amended;

15 (vii) All money received from the federal government as
16 reimbursement pursuant to section 204 of the federal-state extended
17 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

18 (viii) All moneys received for the fund from any other source.

19 (b) All moneys in the unemployment compensation fund shall be
20 commingled and undivided.

21 (3)(a) Except as provided in (b) of this subsection, the
22 administrative contingency fund shall consist of:

23 (i) All interest on delinquent contributions collected pursuant to
24 this title;

25 (ii) All fines and penalties collected pursuant to the provisions
26 of this title;

27 (iii) All sums recovered on official bonds for losses sustained by
28 the fund; and

29 (iv) Revenue received under RCW 50.24.014.

30 (b) All fees, fines, forfeitures, and penalties collected or
31 assessed by a district court because of the violation of this title or
32 rules adopted under this title shall be remitted as provided in chapter
33 3.62 RCW.

34 (c) Moneys available in the administrative contingency fund, other
35 than money in the special account created under RCW 50.24.014(1)(a),
36 shall be expended upon the direction of the commissioner, with the
37 approval of the governor, whenever it appears to him or her that such
38 expenditure is necessary solely for:

1 (i) The proper administration of this title and no federal funds
2 are available for the specific purpose to which such expenditure is to
3 be made, provided, the moneys are not substituted for appropriations
4 from federal funds which, in the absence of such moneys, would be made
5 available.

6 (ii) The proper administration of this title for which purpose
7 appropriations from federal funds have been requested but not yet
8 received, provided, the administrative contingency fund will be
9 reimbursed upon receipt of the requested federal appropriation.

10 (iii) The proper administration of this title for which compliance
11 and audit issues have been identified that establish federal claims
12 requiring the expenditure of state resources in resolution. Claims
13 must be resolved in the following priority: First priority is to
14 provide services to eligible participants within the state; second
15 priority is to provide substitute services or program support; and last
16 priority is the direct payment of funds to the federal government.

17 (d) During the (~~2003-2005~~) 2005-2007 fiscal biennium, the cost of
18 the job skills program and the alliance for corporate education at
19 community and technical colleges as appropriated by the legislature.

20 Money in the special account created under RCW 50.24.014(1)(a) may
21 only be expended, after appropriation, for the purposes specified in
22 this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
23 50.44.053, and 50.22.010.

24 **Sec. 933.** RCW 66.16.010 and 2003 1st sp.s. c 25 s 928 are each
25 amended to read as follows:

26 (1) There shall be established at such places throughout the state
27 as the liquor control board, constituted under this title, shall deem
28 advisable, stores to be known as "state liquor stores," for the sale of
29 liquor in accordance with the provisions of this title and the
30 regulations: PROVIDED, That the prices of all liquor shall be fixed by
31 the board from time to time so that the net annual revenue received by
32 the board therefrom shall not exceed thirty-five percent. Effective no
33 later than (~~September 1, 2003~~) July 1, 2005, the liquor control board
34 shall add an equivalent surcharge of \$0.42 per liter on all retail
35 sales of spirits, excluding licensee, military, and tribal sales. The
36 intent of this surcharge is to raise (~~(\$14,000,000 in additional)~~)
37 revenue for the general fund-state (~~revenue~~) for the (~~2003-~~)2005-

1 2007 biennium. (~~To the extent that a lesser surcharge is sufficient~~
2 ~~to raise \$14,000,000, the board may reduce the amount of the~~
3 ~~surcharge.~~) The board shall remove the surcharge (~~(once it generates~~
4 ~~\$14,000,000, but no later than)~~) June 30, (~~(2005)~~) 2007.

5 (2) The liquor control board may, from time to time, fix the
6 special price at which pure ethyl alcohol may be sold to physicians and
7 dentists and institutions regularly conducted as hospitals, for use or
8 consumption only in such hospitals; and may also fix the special price
9 at which pure ethyl alcohol may be sold to schools, colleges and
10 universities within the state for use for scientific purposes.
11 Regularly conducted hospitals may have right to purchase pure ethyl
12 alcohol on a federal permit.

13 (3) The liquor control board may also fix the special price at
14 which pure ethyl alcohol may be sold to any department, branch or
15 institution of the state of Washington, federal government, or to any
16 person engaged in a manufacturing or industrial business or in
17 scientific pursuits requiring alcohol for use therein.

18 (4) The liquor control board may also fix a special price at which
19 pure ethyl alcohol may be sold to any private individual, and shall
20 make regulations governing such sale of alcohol to private individuals
21 as shall promote, as nearly as may be, the minimum purchase of such
22 alcohol by such persons.

23 **Sec. 934.** RCW 67.40.040 and 2003 1st sp.s. c 25 s 929 are each
24 amended to read as follows:

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

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

4 (a) For reimbursement of the state general fund under RCW
5 67.40.060;

6 (b) After appropriation by statute:

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

9 (ii) For expenditures authorized in RCW 67.40.170;

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

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

14 (c) For transfer to the state convention and trade center
15 operations account.

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

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

32 (5) During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature
33 may transfer from the state convention and trade center account to the
34 state general fund such amounts as reflect the excess fund balance of
35 the account.

36 **Sec. 935.** RCW 69.50.520 and 2004 c 276 s 912 are each amended to
37 read as follows:

1 The violence reduction and drug enforcement account is created in
2 the state treasury. All designated receipts from RCW 9.41.110(8),
3 66.24.210(4), 66.24.290(2), 69.50.505(9)(a), 82.08.150(5),
4 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
5 shall be deposited into the account. Expenditures from the account may
6 be used only for funding services and programs under chapter 271, Laws
7 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
8 incarceration costs. Funds from the account may also be appropriated
9 to reimburse local governments for costs associated with implementing
10 criminal justice legislation including chapter 338, Laws of 1997.
11 During the ((2003-2005)) 2005-2007 biennium, funds from the account may
12 also be used for costs associated with providing grants to local
13 governments in accordance with chapter 338, Laws of 1997, funding drug
14 offender treatment services in accordance with RCW 70.96A.350,
15 maintenance and operating costs of the Washington association of
16 sheriffs and police chiefs jail reporting system, maintenance and
17 operating costs of the juvenile rehabilitation administration's client
18 activity tracking system, civil indigent legal representation,
19 multijurisdictional narcotics task forces, and grants to community
20 networks under chapter 70.190 RCW by the family policy council.

21 **Sec. 936.** RCW 70.93.180 and 1998 c 257 s 5 are each amended to
22 read as follows:

23 (1) There is hereby created an account within the state treasury to
24 be known as the "waste reduction, recycling, and litter control
25 account". Moneys in the account may be spent only after appropriation.
26 Expenditures from the waste reduction, recycling, and litter control
27 account shall be used as follows:

28 (a) Fifty percent to the department of ecology, for use by the
29 departments of ecology, natural resources, revenue, transportation, and
30 corrections, and the parks and recreation commission, for use in litter
31 collection programs, to be distributed under RCW 70.93.220. The amount
32 to the department of ecology shall also be used for a central
33 coordination function for litter control efforts statewide, for the
34 biennial litter survey under RCW 70.93.200(8), and for statewide public
35 awareness programs under RCW 70.93.200(7). The amount to the
36 department shall also be used to defray the costs of administering the
37 funding, coordination, and oversight of local government programs for

1 waste reduction, litter control, and recycling, so that local
2 governments can apply one hundred percent of their funding to achieving
3 program goals. The amount to the department of revenue shall be used
4 to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

5 (b) Twenty percent to the department for local government funding
6 programs for waste reduction, litter control, and recycling activities
7 by cities and counties under RCW 70.93.250, to be administered by the
8 department of ecology; and

9 (c) Thirty percent to the department of ecology for waste reduction
10 and recycling efforts.

11 (2) All taxes imposed in RCW 82.19.010 and fines and bail
12 forfeitures collected or received pursuant to this chapter shall be
13 deposited in the waste reduction, recycling, and litter control account
14 and used for the programs under subsection (1) of this section.

15 (3) Not less than five percent and no more than ten percent of the
16 amount appropriated into the waste reduction, recycling, and litter
17 control account every biennium shall be reserved for capital needs,
18 including the purchase of vehicles for transporting crews and for
19 collecting litter and solid waste. Capital funds shall be distributed
20 among state agencies and local governments according to the same
21 criteria provided in RCW 70.93.220 for the remainder of the funds, so
22 that the most effective waste reduction, litter control, and recycling
23 programs receive the most funding. The intent of this subsection is to
24 provide funds for the purchase of equipment that will enable the
25 department to account for the greatest return on investment in terms of
26 reaching a zero litter goal.

27 (4) During the 2005-2007 fiscal biennium, the legislature may
28 transfer from the waste reduction, recycling, and litter control
29 account to the state general fund such amounts as reflect the excess
30 fund balance of the account.

31 **Sec. 937.** RCW 70.146.030 and 2004 c 277 s 909 are each amended to
32 read as follows:

33 (1) The water quality account is hereby created in the state
34 treasury. Moneys in the account may be used only in a manner
35 consistent with this chapter. Moneys deposited in the account shall be
36 administered by the department of ecology and shall be subject to
37 legislative appropriation. Moneys placed in the account shall include

1 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
2 principal and interest from the repayment of any loans granted pursuant
3 to this chapter, and any other moneys appropriated to the account by
4 the legislature.

5 (2) The department may use or permit the use of any moneys in the
6 account to make grants or loans to public bodies, including grants to
7 public bodies as cost-sharing moneys in any case where federal, local,
8 or other funds are made available on a cost-sharing basis, for water
9 pollution control facilities and activities, or for purposes of
10 assisting a public body to obtain an ownership interest in water
11 pollution control facilities and/or to defray a part of the payments
12 made by a public body to a service provider under a service agreement
13 entered into pursuant to RCW 70.150.060, within the purposes of this
14 chapter and for related administrative expenses. For the period July
15 1, (~~2003~~) 2005, to June 30, (~~2005~~) 2007, moneys in the account may
16 be used to process applications received by the department that seek to
17 make changes to or transfer existing water rights, for water conveyance
18 projects, and for grants and technical assistance to public bodies for
19 watershed planning under chapter 90.82 RCW. No more than three percent
20 of the moneys deposited in the account may be used by the department to
21 pay for the administration of the grant and loan program authorized by
22 this chapter.

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

31 **Sec. 938.** RCW 70.146.080 and 2003 1st sp.s. c 25 s 935 are each
32 amended to read as follows:

33 Within thirty days after June 30, 1987, and within thirty days
34 after each succeeding fiscal year thereafter, the state treasurer shall
35 determine the tax receipts deposited into the water quality account for
36 the preceding fiscal year. If the tax receipts deposited into the
37 account in each of the fiscal years 1988 and 1989 are less than forty

1 million dollars, the state treasurer shall transfer sufficient moneys
2 from general state revenues into the water quality account to bring the
3 total receipts in each fiscal year up to forty million dollars.

4 For the biennium ending June 30, 1991, if the tax receipts
5 deposited into the water quality account and the earnings on investment
6 of balances credited to the account are less than ninety million
7 dollars, the treasurer shall transfer sufficient moneys from general
8 state revenues into the water quality account to bring the total
9 revenue up to ninety million dollars. The determination and transfer
10 shall be made by July 31, 1991.

11 For fiscal year 1992 and for fiscal years 1995 and 1996 and
12 thereafter, if the tax receipts deposited into the water quality
13 account for each fiscal year are less than forty-five million dollars,
14 the treasurer shall transfer sufficient moneys from general state
15 revenues into the water quality account to bring the total revenue up
16 to forty-five million dollars. However, during the ((2003-05)) 2005-
17 2007 fiscal biennium, the legislature may specify the transfer of a
18 different amount in the operating budget bill. Determinations and
19 transfers shall be made by July 31 for the preceding fiscal year.

20 **Sec. 939.** RCW 72.11.040 and 2003 1st sp.s. c 25 s 936 are each
21 amended to read as follows:

22 The cost of supervision fund is created in the custody of the state
23 treasurer. All receipts from assessments made under RCW 9.94A.780 and
24 72.04A.120 shall be deposited into the fund. Expenditures from the
25 fund may be used only to support the collection of legal financial
26 obligations. During the ((2003-2005)) 2005-2007 biennium, funds from
27 the account may also be used for costs associated with the department's
28 supervision of the offenders in the community. Only the secretary of
29 the department of corrections or the secretary's designee may authorize
30 expenditures from the fund. The fund is subject to allotment
31 procedures under chapter 43.88 RCW, but no appropriation is required
32 for expenditures.

33 **Sec. 940.** RCW 74.46.431 and 2004 c 276 s 913 are each amended to
34 read as follows:

35 (1) Effective July 1, 1999, nursing facility medicaid payment rate
36 allocations shall be facility-specific and shall have seven components:

1 Direct care, therapy care, support services, operations, property,
2 financing allowance, and variable return. The department shall
3 establish and adjust each of these components, as provided in this
4 section and elsewhere in this chapter, for each medicaid nursing
5 facility in this state.

6 (2) All component rate allocations for essential community
7 providers as defined in this chapter shall be based upon a minimum
8 facility occupancy of eighty-five percent of licensed beds, regardless
9 of how many beds are set up or in use. For all facilities other than
10 essential community providers, effective July 1, 2001, component rate
11 allocations in direct care, therapy care, support services, variable
12 return, operations, property, and financing allowance shall continue to
13 be based upon a minimum facility occupancy of eighty-five percent of
14 licensed beds. For all facilities other than essential community
15 providers, effective July 1, 2002, the component rate allocations in
16 operations, property, and financing allowance shall be based upon a
17 minimum facility occupancy of ninety percent of licensed beds,
18 regardless of how many beds are set up or in use.

19 (3) Information and data sources used in determining medicaid
20 payment rate allocations, including formulas, procedures, cost report
21 periods, resident assessment instrument formats, resident assessment
22 methodologies, and resident classification and case mix weighting
23 methodologies, may be substituted or altered from time to time as
24 determined by the department.

25 (4)(a) Direct care component rate allocations shall be established
26 using adjusted cost report data covering at least six months. Adjusted
27 cost report data from 1996 will be used for October 1, 1998, through
28 June 30, 2001, direct care component rate allocations; adjusted cost
29 report data from 1999 will be used for July 1, 2001, through June 30,
30 2005, direct care component rate allocations. Adjusted cost report
31 data from 1999 will continue to be used for July 1, 2005, and later
32 direct care component rate allocations.

33 (b) Direct care component rate allocations based on 1996 cost
34 report data shall be adjusted annually for economic trends and
35 conditions by a factor or factors defined in the biennial
36 appropriations act. A different economic trends and conditions
37 adjustment factor or factors may be defined in the biennial

1 appropriations act for facilities whose direct care component rate is
2 set equal to their adjusted June 30, 1998, rate, as provided in RCW
3 74.46.506(5)(i).

4 (c) Direct care component rate allocations based on 1999 cost
5 report data shall be adjusted annually for economic trends and
6 conditions by a factor or factors defined in the biennial
7 appropriations act. A different economic trends and conditions
8 adjustment factor or factors may be defined in the biennial
9 appropriations act for facilities whose direct care component rate is
10 set equal to their adjusted June 30, 1998, rate, as provided in RCW
11 74.46.506(5)(i).

12 (5)(a) Therapy care component rate allocations shall be established
13 using adjusted cost report data covering at least six months. Adjusted
14 cost report data from 1996 will be used for October 1, 1998, through
15 June 30, 2001, therapy care component rate allocations; adjusted cost
16 report data from 1999 will be used for July 1, 2001, through June 30,
17 2005, therapy care component rate allocations. Adjusted cost report
18 data from 1999 will continue to be used for July 1, 2005, and later
19 therapy care component rate allocations.

20 (b) Therapy care component rate allocations shall be adjusted
21 annually for economic trends and conditions by a factor or factors
22 defined in the biennial appropriations act.

23 (6)(a) Support services component rate allocations shall be
24 established using adjusted cost report data covering at least six
25 months. Adjusted cost report data from 1996 shall be used for October
26 1, 1998, through June 30, 2001, support services component rate
27 allocations; adjusted cost report data from 1999 shall be used for July
28 1, 2001, through June 30, 2005, support services component rate
29 allocations. Adjusted cost report data from 1999 will continue to be
30 used for July 1, 2005, and later support services component rate
31 allocations.

32 (b) Support services component rate allocations shall be adjusted
33 annually for economic trends and conditions by a factor or factors
34 defined in the biennial appropriations act.

35 (7)(a) Operations component rate allocations shall be established
36 using adjusted cost report data covering at least six months. Adjusted
37 cost report data from 1996 shall be used for October 1, 1998, through
38 June 30, 2001, operations component rate allocations; adjusted cost

1 report data from 1999 shall be used for July 1, 2001, through June 30,
2 2005, operations component rate allocations. Adjusted cost report data
3 from 1999 will continue to be used for July 1, 2005, and later
4 operations component rate allocations.

5 (b) Operations component rate allocations shall be adjusted
6 annually for economic trends and conditions by a factor or factors
7 defined in the biennial appropriations act.

8 (8) For July 1, 1998, through September 30, 1998, a facility's
9 property and return on investment component rates shall be the
10 facility's June 30, 1998, property and return on investment component
11 rates, without increase. For October 1, 1998, through June 30, 1999,
12 a facility's property and return on investment component rates shall be
13 rebased utilizing 1997 adjusted cost report data covering at least six
14 months of data.

15 (9) Total payment rates under the nursing facility medicaid payment
16 system shall not exceed facility rates charged to the general public
17 for comparable services.

18 (10) Medicaid contractors shall pay to all facility staff a minimum
19 wage of the greater of the state minimum wage or the federal minimum
20 wage.

21 (11) The department shall establish in rule procedures, principles,
22 and conditions for determining component rate allocations for
23 facilities in circumstances not directly addressed by this chapter,
24 including but not limited to: The need to prorate inflation for
25 partial-period cost report data, newly constructed facilities, existing
26 facilities entering the medicaid program for the first time or after a
27 period of absence from the program, existing facilities with expanded
28 new bed capacity, existing medicaid facilities following a change of
29 ownership of the nursing facility business, facilities banking beds or
30 converting beds back into service, facilities temporarily reducing the
31 number of set-up beds during a remodel, facilities having less than six
32 months of either resident assessment, cost report data, or both, under
33 the current contractor prior to rate setting, and other circumstances.

34 (12) The department shall establish in rule procedures, principles,
35 and conditions, including necessary threshold costs, for adjusting
36 rates to reflect capital improvements or new requirements imposed by
37 the department or the federal government. Any such rate adjustments
38 are subject to the provisions of RCW 74.46.421.

1 (13) Effective July 1, 2001, medicaid rates shall continue to be
2 revised downward in all components, in accordance with department
3 rules, for facilities converting banked beds to active service under
4 chapter 70.38 RCW, by using the facility's increased licensed bed
5 capacity to recalculate minimum occupancy for rate setting. However,
6 for facilities other than essential community providers which bank beds
7 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be
8 revised upward, in accordance with department rules, in direct care,
9 therapy care, support services, and variable return components only, by
10 using the facility's decreased licensed bed capacity to recalculate
11 minimum occupancy for rate setting, but no upward revision shall be
12 made to operations, property, or financing allowance component rates.

13 (14) Facilities obtaining a certificate of need or a certificate of
14 need exemption under chapter 70.38 RCW after June 30, 2001, must have
15 a certificate of capital authorization in order for (a) the
16 depreciation resulting from the capitalized addition to be included in
17 calculation of the facility's property component rate allocation; and
18 (b) the net invested funds associated with the capitalized addition to
19 be included in calculation of the facility's financing allowance rate
20 allocation.

21 **Sec. 941.** RCW 79.64.040 and 2004 c 199 s 227 are each amended to
22 read as follows:

23 (1) The board shall determine the amount deemed necessary in order
24 to achieve the purposes of this chapter and shall provide by rule for
25 the deduction of this amount from the moneys received from all leases,
26 sales, contracts, licenses, permits, easements, and rights of way
27 issued by the department and affecting state lands and aquatic lands,
28 provided that no deduction shall be made from the proceeds from
29 agricultural college lands.

30 (2) Moneys received as deposits from successful bidders, advance
31 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
32 prior to December 1, 1981, which have not been subjected to deduction
33 under this section are not subject to deduction under this section.

34 (3) Except as otherwise provided in subsection (5) of this section,
35 the deductions authorized under this section shall ((in no event)) not
36 exceed twenty-five percent of the moneys received by the department in
37 connection with any one transaction pertaining to state lands and

1 aquatic lands other than second class tide and shore lands and the beds
2 of navigable waters, and fifty percent of the moneys received by the
3 department pertaining to second class tide and shore lands and the beds
4 of navigable waters.

5 (4) In the event that the department sells logs using the contract
6 harvesting process described in RCW 79.15.500 through 79.15.530, the
7 moneys received subject to this section are the net proceeds from the
8 contract harvesting sale.

9 (5) During fiscal year 2006 only, the twenty-five percent
10 limitation on deductions set in subsection (3) of this section may be
11 increased to thirty percent by the board. If so increased, the
12 department must provide a report by January 9, 2006 to the appropriate
13 committees of the legislature on the use of the increased amount.

14 **Sec. 942.** RCW 79.90.245 and 2004 c 276 s 914 are each amended to
15 read as follows:

16 After deduction for management costs as provided in RCW 79.64.040
17 and payments to towns under RCW 79.92.110(2), all moneys received by
18 the state from the sale or lease of state-owned aquatic lands and from
19 the sale of valuable material from state-owned aquatic lands shall be
20 deposited in the aquatic lands enhancement account which is hereby
21 created in the state treasury. After appropriation, these funds shall
22 be used solely for aquatic lands enhancement projects; for the
23 purchase, improvement, or protection of aquatic lands for public
24 purposes; for providing and improving access to such lands; and for
25 volunteer cooperative fish and game projects.

26 In providing grants for aquatic lands enhancement projects, the
27 department shall require grant recipients to incorporate the
28 environmental benefits of the project into their grant applications,
29 and the department shall utilize the statement of environmental
30 benefits in its prioritization and selection process. The department
31 shall also develop appropriate outcome-focused performance measures to
32 be used both for management and performance assessment of the grants.
33 To the extent possible, the department should coordinate its
34 performance measure system with other natural resource-related agencies
35 as defined in RCW 43.41.270. The department shall consult with
36 affected interest groups in implementing this section.

1 During the fiscal biennium ending June 30, ~~((2005))~~ 2007, the funds
2 may be appropriated for boating safety, settlement costs for aquatic
3 lands cleanup, and shellfish management, enforcement, and enhancement
4 and assistance to local governments for septic system surveys and data
5 bases.

6 **Sec. 943.** RCW 86.26.007 and 2003 1st sp.s. c 25 s 943 are each
7 amended to read as follows:

8 The flood control assistance account is hereby established in the
9 state treasury. At the beginning of the ~~((1997-99 fiscal biennium and~~
10 ~~each))~~ 2005-2007 fiscal biennium, the state treasurer shall transfer
11 two million dollars from the general fund to the flood control
12 assistance account. Each biennium thereafter the state treasurer shall
13 transfer four million dollars from the general fund to the flood
14 control assistance account. Moneys in the flood control assistance
15 account may be spent only after appropriation for purposes specified
16 under this chapter. ~~((During the 2003-2005 fiscal biennium, the~~
17 ~~legislature may transfer from the flood control assistance account to~~
18 ~~the state general fund such amounts as reflect the excess fund balance~~
19 ~~of the account.))~~

20 NEW SECTION. **Sec. 944. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
21 **UNFUNDED PENSION LIABILITY.** (1) It is the intent of the legislature to
22 use one-half of state general fund revenues that are received by the
23 state in excess of revenues assumed in this act to reduce the unfunded
24 liabilities in the public employees' retirement system and the
25 teachers' retirement system, plans 1.

26 (2)(a) The office of financial management shall calculate the
27 difference between the June 2005 general fund state revenue forecast
28 and the amount of revenues assumed in this act. If the official
29 revenue forecast is greater than the revenue assumed in this act when
30 enacted, the state actuary shall be immediately notified of this
31 difference.

32 (b) Upon notification of additional forecasted revenues under (a)
33 of this subsection by the office of financial management, the state
34 actuary shall calculate the contribution rates that may be assessed on
35 the employers of public employees' retirement system, the school
36 employees' retirement system, and the teachers' retirement system

1 members to reduce the unfunded liabilities in the public employees'
2 retirement system and the teachers' retirement system, plans 1. The
3 contribution rates calculated shall be applied to all employers and
4 shall be projected to generate a general fund state cost of fifty
5 percent of the additional forecasted general fund state revenues, in
6 addition to costs attributed to other funds. The state actuary shall
7 notify the office of financial management and the fiscal committees of
8 the legislature of the contribution rates calculated under this
9 subsection.

10 (c) The office of financial management and the state actuary shall
11 conduct the same activities outlined in (a) and (b) of this subsection
12 for any difference between the June 2006 general fund state revenue
13 forecast and the amount of revenues assumed in the 2005 general fund
14 supplemental state operating budget.

15 NEW SECTION. **Sec. 945. COMPENSATION--INSURANCE BENEFITS.** The
16 appropriations for state agencies, including institutions of higher
17 education are subject to the following conditions and limitations:

18 (1)(a) The monthly employer funding rate for insurance benefit
19 premiums, public employees' benefits board administration, and the
20 uniform medical plan, shall not exceed \$663.00 per eligible employee
21 for fiscal year 2006. For fiscal year 2007 the monthly employer
22 funding rate shall not exceed \$744.00 per eligible represented employee
23 or \$618.00 per eligible nonrepresented employee.

24 (b) 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
27 point-of-service cost sharing, the implementation of managed
28 competition, or make other changes to benefits consistent with RCW
29 41.05.065.

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

1 (2) The health care authority, subject to the approval of the
2 public employees' benefits board, shall provide subsidies for health
3 benefit premiums to eligible retired or disabled public employees and
4 school district employees who are eligible for medicare, pursuant to
5 RCW 41.05.085. From January 1, 2006, through December 31, 2006, the
6 subsidy shall be \$131.87. Starting January 1, 2007, the subsidy shall
7 be \$149.67 per month.

8 (3) Technical colleges, school districts, and educational service
9 districts shall remit to the health care authority for deposit into the
10 public employees' and retirees' insurance account established in RCW
11 41.05.120 the following amounts:

12 (a) For each full-time employee, \$48.42 per month beginning
13 September 1, 2005, and \$55.73 beginning September 1, 2006;

14 (b) For each part-time employee who, at the time of the remittance,
15 is employed in an eligible position as defined in RCW 41.32.010 or
16 41.40.010 and is eligible for employer fringe benefit contributions for
17 basic benefits, \$48.42 each month beginning September 1, 2005, and
18 \$55.73 beginning September 1, 2006, prorated by the proportion of
19 employer fringe benefit contributions for a full-time employee that the
20 part-time employee receives. The remittance requirements specified in
21 this subsection shall not apply to employees of a technical college,
22 school district, or educational service district who purchase insurance
23 benefits through contracts with the health care authority.

24 NEW SECTION. **Sec. 946. NONREPRESENTED EMPLOYEE COMPENSATION.**

25 The appropriations for nonrepresented employee compensation adjustments
26 are provided solely for:

27 (1) Salary Cost of Living Adjustments.

28 (a) Appropriations are provided for a 3.2% salary increase
29 effective September 1, 2005, for all classified employees, except those
30 represented by a collective bargaining unit under the personnel system
31 reform act of 2002, and except the certificated employees of the state
32 schools for the deaf and blind and employees of community and technical
33 colleges covered by the provisions of Initiative Measure No. 732. Also
34 included are employees in the Washington management service, and exempt
35 employees under the jurisdiction of the personnel resources board or
36 the director of personnel, as applicable. However, community and
37 technical colleges shall increase salaries of all classified staff not

1 covered by Initiative Measure No. 732 or by a collective bargaining
2 agreement under the personnel system reform act of 2002 by 3.2% of pay
3 effective July 1, 2005. Community and technical colleges shall provide
4 to exempt professional staff an average salary increase of 3.2% of pay
5 beginning July 1, 2005. The appropriations are also sufficient to fund
6 for the four-year higher education institutions an average salary
7 increase of 3.2% effective July 1, 2005, for faculty, exempt
8 administrative and professional staff, graduate assistants, and other
9 nonclassified staff. Funds provided in this section may not be used
10 for any other purpose by institutions of higher education, including
11 for other pay increases.

12 The appropriations are also sufficient to fund a 3.2% salary
13 increase effective September 1, 2005, for general government,
14 legislative, and judicial employees exempt from merit system rules
15 whose maximum salaries are not set by the commission on salaries for
16 elected officials.

17 (b) Appropriations are provided for a 1.6% salary increase
18 effective September 1, 2006, until June 30, 2007, for all classified
19 employees, except those represented by a collective bargaining unit
20 under the personnel system reform act of 2002, and except the
21 certificated employees of the state schools for the deaf and blind and
22 employees of community and technical colleges covered by the provisions
23 of Initiative Measure No. 732. Also included are employees in the
24 Washington management service, and exempt employees under the
25 jurisdiction of the personnel resources board or the director of
26 personnel, as applicable. However, community and technical colleges
27 shall increase salaries of all classified and instructional staff not
28 covered by Initiative Measure No. 732 or by a collective bargaining
29 agreement under the personnel system reform act of 2002 by 1.6% of pay
30 effective July 1, 2006, until June 30, 2007. Community and technical
31 colleges shall provide to exempt professional staff an average salary
32 increase of 1.6% of pay, beginning July 1, 2006, until June 30, 2007.
33 The appropriations are also sufficient to fund for the four-year higher
34 education institutions an average salary increase of 1.6% effective
35 July 1, 2006, for faculty, exempt administrative and professional
36 staff, graduate assistants, and other nonclassified staff. Funds
37 provided in this section may not be used for any other purpose by
38 institutions of higher education, including for other pay increases.

1 The appropriations are also sufficient to fund a 1.6% salary increase
2 effective September 1, 2006, until June 30, 2007, for general
3 government, legislative, and judicial employees exempt from merit
4 system rules whose maximum salaries are not set by the commission on
5 salaries for elected officials.

6 (2) Salary Survey.

7 For state employees, except those represented by a bargaining unit
8 under the personnel system reform act of 2002, funding is provided for
9 implementation of the department of personnel's 2002 salary survey, for
10 job classes more than 25% below market rates.

11 NEW SECTION. **Sec. 947. CLASSIFICATION REVISIONS.** Funding is
12 provided for partial implementation of classification consolidation and
13 revisions under the personnel system reform act of 2002. Groups 2 and
14 3 of the department of personnel's initial class consolidation plan are
15 affected.

16 NEW SECTION. **Sec. 948. COLLECTIVE BARGAINING AGREEMENTS.**
17 Provisions of collective bargaining agreements contained in sections
18 945 and 947 through 977 of this act are described in general terms.
19 Only major economic terms are included in the descriptions. These
20 descriptions do not contain the complete contents of the agreements.

21 NEW SECTION. **Sec. 949. COLLECTIVE BARGAINING AGREEMENT--WFSE.**
22 Funding is provided for the collective bargaining agreement reached
23 between the governor and the Washington federation of state employees
24 under the personnel system reform act of 2002. For employees covered
25 under this agreement, funding is provided for a 3.2% salary increase
26 effective July 1, 2005. Funding is also provided for a 1.6% increase
27 effective July 1, 2006, until June 30, 2007, and for implementation of
28 the department of personnel 2002 salary survey for classes more than
29 25% below market rates.

30 NEW SECTION. **Sec. 950. COLLECTIVE BARGAINING AGREEMENT--WPEA.**
31 Funding is provided for the collective bargaining agreement reached
32 between the governor and the Washington public employees association
33 under the personnel system reform act of 2002. For employees covered
34 under this agreement, funding is provided for a 3.2% salary increase

1 effective July 1, 2005. Funding is also provided for a 1.6% increase
2 effective July 1, 2006, until June 30, 2007, and for implementation of
3 the department of personnel 2002 salary survey for classes more than
4 25% below market rates.

5 NEW SECTION. **Sec. 951. COLLECTIVE BARGAINING AGREEMENT--UFCW.**
6 Funding is provided for the collective bargaining agreement reached
7 between the governor and the united food and commercial workers under
8 the personnel system reform act of 2002. For employees covered under
9 this agreement, funding is provided for a 3.2% salary increase
10 effective July 1, 2005. Funding is also provided for a 1.6% increase
11 effective July 1, 2006 until June 30, 2007.

12 NEW SECTION. **Sec. 952. COLLECTIVE BARGAINING AGREEMENT--**
13 **TEAMSTERS.** Funding is provided for the collective bargaining agreement
14 reached between the governor and the brotherhood of teamsters under the
15 personnel system reform act of 2002. For employees covered under this
16 agreement, funding is provided for a 3.2% salary increase effective
17 July 1, 2005. Funding is also provided for a 2.9% increase effective
18 July 1, 2006, until June 30, 2007, and for implementation of the
19 department of personnel 2002 salary survey for classes more than 25%
20 below market rates.

21 NEW SECTION. **Sec. 953. COLLECTIVE BARGAINING--COALITION.**
22 Funding is provided for the collective bargaining agreement reached
23 between the governor and the coalition under the personnel system
24 reform act of 2002. For employees covered under this agreement,
25 funding is provided for a 3.2% salary increase effective July 1, 2005.
26 Funding is also provided for a 1.6% increase effective July 1, 2006,
27 until June 30, 2007, and for implementation of the department of
28 personnel 2002 salary survey for classes more than 25% below market
29 rates.

30 NEW SECTION. **Sec. 954. COLLECTIVE BARGAINING--IFPTE.** Funding
31 is provided for the collective bargaining agreement reached between the
32 governor and the international federation of professional and technical
33 engineers local 17 under the personnel system reform act of 2002. For
34 employees covered under this agreement, funding is provided for a 3.2%

1 salary increase effective July 1, 2005. Funding is also provided for
2 a 1.6% increase effective July 1, 2006, until June 30, 2007, and for
3 implementation of the department of personnel 2002 salary survey for
4 classes more than 25% below market rates.

5 NEW SECTION. **Sec. 955. COLLECTIVE BARGAINING AGREEMENT--SEIU**
6 **1199.** Funding is provided for the collective bargaining agreement
7 reached between the governor and the service employees international
8 union, local 1199 NW under the personnel system reform act of 2002.
9 For employees covered under this agreement, funding is provided for a
10 3.2% salary increase effective July 1, 2005. Funding is also provided
11 for a 1.6% increase effective July 1, 2006, until June 30, 2007, for
12 implementation of the department of personnel 2002 salary survey for
13 classes more than 25% below market rates, and for adjustments to the
14 salary grid.

15 NEW SECTION. **Sec. 956. COLLECTIVE BARGAINING AGREEMENT--WFSE**
16 **HIGHER EDUCATION.** Funding is provided for the collective bargaining
17 agreement reached between the governor and the Washington federation of
18 state employees in higher education under the personnel system reform
19 act of 2002. For employees covered under this agreement, funding is
20 provided for a 3.2% salary increase effective July 1, 2005. Funding is
21 also provided for a 1.6% increase effective July 1, 2006, until June
22 30, 2007, and for implementation of the department of personnel 2002
23 salary survey for classes more than 25% below market rates.

24 NEW SECTION. **Sec. 957. COLLECTIVE BARGAINING AGREEMENT--WPEA**
25 **HIGHER EDUCATION.** Funding is provided for the collective bargaining
26 agreement reached between the governor and the Washington public
27 employees association in higher education under the personnel system
28 reform act of 2002. For employees covered under this agreement,
29 funding is provided for a 3.2% salary increase effective July 1, 2005.
30 Funding is also provided for a 1.6% increase effective July 1, 2006,
31 until June 30, 2007, and for implementation of the department of
32 personnel 2002 salary survey for classes more than 25% below market
33 rates.

1 NEW SECTION. **Sec. 958. COLLECTIVE BARGAINING AGREEMENT--WESTERN**
2 **WASHINGTON UNIVERSITY, WFSE BU A.** Budget amounts reflect the
3 collective bargaining agreement reached between the Western Washington
4 University and the Washington federation of state employees bargaining
5 unit A under the personnel system reform act of 2002. For employees
6 covered under this agreement, provisions include a 3.2% salary increase
7 effective July 1, 2005, a 1.6% increase effective July 1, 2006, until
8 June 30, 2007, and implementation of the department of personnel 2002
9 salary survey for classes more than 25% below market rates.

10 NEW SECTION. **Sec. 959. COLLECTIVE BARGAINING AGREEMENT--WESTERN**
11 **WASHINGTON UNIVERSITY, WFSE BU B.** Budget amounts reflect the
12 collective bargaining agreement reached between the Western Washington
13 University and the Washington federation of state employees bargaining
14 unit B under the personnel system reform act of 2002. For employees
15 covered under this agreement, provisions include a 3.2% salary increase
16 effective July 1, 2005, a 1.6% increase effective July 1, 2006, until
17 June 30, 2007, and implementation of the department of personnel 2002
18 salary survey for classes more than 25% below market rates.

19 NEW SECTION. **Sec. 960. COLLECTIVE BARGAINING AGREEMENT--**
20 **WPEA/PROFESSIONAL LOCAL 365 UNIT C--WESTERN WASHINGTON UNIVERSITY.**
21 Budget amounts reflect the collective bargaining agreement reached
22 between the Western Washington University and the Washington Public
23 Employees Association bargaining unit C under the personnel system
24 reform act of 2002. For employees covered under this agreement,
25 provisions include a 3.2% salary increase effective July 1, 2005.
26 Provisions also include a 1.6% increase effective July 1, 2006, until
27 June 30, 2007, and for implementation of the department of personnel
28 2002 salary survey for classes more than 25% below market rates.

29 NEW SECTION. **Sec. 961. COLLECTIVE BARGAINING AGREEMENT--WESTERN**
30 **WASHINGTON UNIVERSITY, WFSE BU E.** Budget amounts reflect the
31 collective bargaining agreement reached between the Western Washington
32 University and the Washington federation of state employees bargaining
33 unit E under the personnel system reform act of 2002. For employees
34 covered under this agreement, provisions include a 3.2% salary increase

1 effective July 1, 2005, and a 1.6% increase effective July 1, 2006,
2 until June 30, 2007.

3 NEW SECTION. **Sec. 962. COLLECTIVE BARGAINING AGREEMENT--**
4 **WASHINGTON STATE UNIVERSITY, WSU POLICE GUILD.** Budget amounts reflect
5 the collective bargaining agreement reached between Washington State
6 University and the Washington State University police guild bargaining
7 unit under the personnel system reform act of 2002. For employees
8 covered under this agreement, provisions include a 3.2% salary increase
9 effective July 1, 2005, and a 2.9% lump sum payment effective July 1,
10 2006.

11 NEW SECTION. **Sec. 963. COLLECTIVE BARGAINING AGREEMENT--**
12 **WASHINGTON STATE UNIVERSITY, WFSE BU 1 AND 11.** Budget amounts reflect
13 the collective bargaining agreement reached between Washington State
14 University and the Washington federation of state employees bargaining
15 unit 1--research and extension units west of the Cascades, bargaining
16 unit 5--library and bargaining unit 11--intercollegiate college of
17 nursing under the personnel system reform act of 2002. For employees
18 covered under this agreement, provisions include a 3.2% salary increase
19 effective July 1, 2005. Provisions also include a 2% lump sum payment
20 effective July 1, 2006.

21 NEW SECTION. **Sec. 964. COLLECTIVE BARGAINING AGREEMENT--**
22 **UNIVERSITY OF WASHINGTON, SEIU 925.** Budget amounts reflect the
23 collective bargaining agreements reached between the University of
24 Washington and the service employees international union university-
25 wide nonsupervisory, university-wide supervisory, research
26 technologist, research technologist supervisor, and medical/laboratory
27 technologist bargaining units under the personnel system reform act of
28 2002. For employees covered under this agreement, provisions include
29 a 3.2% salary increase effective July 1, 2005, a 1.6% increase
30 effective July 1, 2006, until June 30, 2007, implementation of a
31 University of Washington salary survey, and adjustment to the salary
32 grid.

33 NEW SECTION. **Sec. 965. COLLECTIVE BARGAINING AGREEMENT--**
34 **UNIVERSITY OF WASHINGTON, WFSE.** Budget amounts reflect the collective

1 bargaining agreements reached between the University of Washington and
2 the Washington federation of state employees campus-wide, library,
3 custodial supervisor, Harborview medical center, and Harborview medical
4 center public safety officers bargaining units under the personnel
5 system reform act of 2002. For employees covered under this agreement,
6 provisions include a 3.2% salary increase effective July 1, 2005, a
7 1.6% increase effective July 1, 2006, until June 30, 2007, and
8 implementation of a University of Washington salary survey.

9 NEW SECTION. **Sec. 966. COLLECTIVE BARGAINING AGREEMENT--**
10 **UNIVERSITY OF WASHINGTON, WFSE, SKILLED TRADES.** Budget amounts reflect
11 the collective bargaining agreements reached between the University of
12 Washington and the Washington federation of state employees, skilled
13 trades bargaining unit under the personnel system reform act of 2002.
14 For employees covered under this agreement, provisions include a \$1.00
15 per hour increase effective July 1, 2005, an increase in shift
16 differential pay, and an adjustment to the grid.

17 NEW SECTION. **Sec. 967. COLLECTIVE BARGAINING AGREEMENT--**
18 **UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW PROFESSIONAL AND TECHNICAL.**
19 Budget amounts reflect the collective bargaining agreement reached
20 between the University of Washington and the service employee
21 international union Harborview medical center professional and
22 technical bargaining unit under the personnel system reform act of
23 2002. For employees covered under this agreement, provisions include
24 a 1.5% salary increase effective January 1, 2006, a 1.5% salary
25 increase effective January 1, 2007, an adjustment to the salary grid,
26 and changes in premium pay.

27 NEW SECTION. **Sec. 968. COLLECTIVE BARGAINING AGREEMENT--**
28 **UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW NURSES.** Budget amounts
29 reflect the collective bargaining agreement reached between the
30 University of Washington and the service employee international union
31 Harborview medical center registered nurse bargaining unit under the
32 personnel system reform act of 2002. For employees covered under this
33 agreement, provisions include a 2.0% salary increase effective July 1,
34 2005, a 2.0% salary increase effective July 1, 2006, a 2.0% salary

1 increase effective January 1, 2007, an adjustment to the salary grid,
2 and changes in premium pay.

3 NEW SECTION. **Sec. 969. COLLECTIVE BARGAINING AGREEMENT--**
4 **UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW SOCIAL WORK.** Budget
5 amounts reflect the collective bargaining agreements reached between
6 the University of Washington and the service employee international
7 union Harborview medical center social work and health care specialist
8 bargaining units under the personnel system reform act of 2002. For
9 employees covered under this agreement, provisions include a 2.0%
10 salary increase effective July 1, 2005, a 2.0% salary increase
11 effective July 1, 2006, a 1.0% salary increase effective January 1,
12 2007, an adjustment to the salary grid, and changes in premium pay.

13 NEW SECTION. **Sec. 970. COLLECTIVE BARGAINING AGREEMENT--**
14 **UNIVERSITY OF WASHINGTON POLICE OFFICERS ASSOCIATION.** Budget amounts
15 reflect the collective bargaining agreements reached between the
16 University of Washington and the University of Washington police
17 officers association bargaining unit under the personnel system reform
18 act of 2002. For employees covered under this agreement, provisions
19 include a 3.2% salary increase effective July 1, 2005, a 1.6% increase
20 effective July 1, 2006, and longevity pay increases.

21 NEW SECTION. **Sec. 971. COLLECTIVE BARGAINING AGREEMENT--**
22 **UNIVERSITY OF WASHINGTON WFSE UW POLICE MANAGEMENT.** Budget amounts
23 reflect the collective bargaining agreements reached between the
24 University of Washington and the Washington federation of state
25 employees police management bargaining unit under the personnel system
26 reform act of 2002. For employees covered under this agreement,
27 provisions include a 3.2% salary increase effective July 1, 2005, and
28 a 15% supervisory differential effective July 1, 2006.

29 NEW SECTION. **Sec. 972. COLLECTIVE BARGAINING AGREEMENT--**
30 **UNIVERSITY OF WASHINGTON WASHINGTON STATE NURSES ASSOCIATION.** Budget
31 amounts reflect the collective bargaining agreement reached between the
32 University of Washington and the Washington state nurses association
33 university medical center registered nurses bargaining unit under the
34 personnel system reform act of 2002. For employees covered under this

1 agreement, provisions include a 2.0% salary increase effective July 1,
2 2005, a 2.0% salary increase effective July 1, 2006, a 2.0% salary
3 increase effective January 1, 2007, an adjustment to the salary grid,
4 and changes in premium pay.

5 NEW SECTION. **Sec. 973. COLLECTIVE BARGAINING AGREEMENT--**
6 **UNIVERSITY OF WASHINGTON INLAND BOATMEN'S UNION.** Budget amounts
7 reflect the collective bargaining agreement reached between the
8 University of Washington and the inland boatmen's union of the Pacific
9 Thompson research vessel crew bargaining unit under the personnel
10 system return act of 2002. For employees covered under this agreement,
11 provisions include a 3.2% salary increase effective July 1, 2006, and
12 a 1.6% salary increase effective July 1, 2006, until June 30, 2007.

13 NEW SECTION. **Sec. 974. COLLECTIVE BARGAINING AGREEMENT--WFSE**
14 **UNIT 2 EASTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the
15 collective bargaining agreement reached between Eastern Washington
16 University and the Washington federation of state employees bargaining
17 unit 2 under the personnel system reform act of 2002. For employees
18 covered under this agreement, provisions include a 3.2% salary increase
19 effective July 1, 2005. Provisions also include a 1.6% salary increase
20 effective July 1, 2006, until June 30, 2007, and for a \$500 lump-sum
21 payment to full-time employees, and pro-rated for part-time employees,
22 effective July 1, 2005.

23 NEW SECTION. **Sec. 975. COLLECTIVE BARGAINING AGREEMENT--WFSE**
24 **UNIT 1 EASTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the
25 collective bargaining agreement reached between Eastern Washington
26 University and the Washington federation of state employees bargaining
27 unit 1 under the personnel system reform act of 2002. For employees
28 covered under this agreement, provisions include a 3.2% salary increase
29 effective July 1, 2005. Provisions also include a \$500 lump-sum
30 payment to full-time employees, and pro-rated for part-time employees,
31 effective July 1, 2005, and a lump sum payment of 1.6% of annual salary
32 effective July 1, 2006.

33 NEW SECTION. **Sec. 976. COLLECTIVE BARGAINING AGREEMENT--WFSE**
34 **UNIT 2 CENTRAL WASHINGTON UNIVERSITY.** Budget amounts reflect the

1 collective bargaining agreement reached between Central Washington
2 University and the Washington federation of state employees bargaining
3 unit 2 under the personnel system reform act of 2002. For employees
4 covered under this agreement, provisions include a 3.2% salary increase
5 effective July 1, 2005. Provisions also include a 1.6% increase
6 effective July 1, 2006, until June 30, 2007, and for implementation of
7 the department of personnel 2002 salary survey for classes more than
8 25% below market rates.

9 NEW SECTION. **Sec. 977. COLLECTIVE BARGAINING AGREEMENT--WFSE**
10 **UNIT 1 CENTRAL WASHINGTON UNIVERSITY.** Budget amounts reflect the
11 collective bargaining agreement reached between Central Washington
12 University and the Washington federation of state employees bargaining
13 unit 1 under the personnel system reform act of 2002. For employees
14 covered under this agreement, provisions include a 3.2% salary increase
15 effective July 1, 2005. Provisions also include a 1.6% increase
16 effective July 1, 2006, until June 30, 2007, and for implementation of
17 the department of personnel 2002 salary survey for classes more than
18 25% below market rates.

19 NEW SECTION. **Sec. 978.** Currently there is no statutory policy for
20 funding the gain-sharing benefits in the plans 1 and 3 of the public
21 employees' retirement system, the teachers' retirement system and the
22 school employees' retirement system. The legislature acknowledges that
23 the 2003 Actuarial Valuation Report (prepared in December 2004)
24 identified gain-sharing as a material liability of the affected
25 retirement systems, and recognizes the need to develop a plan for
26 addressing this material liability. The legislature hereby delays any
27 decision regarding funding for this benefit during the 2006 fiscal
28 year.

29 During the 2005 interim, the select committee on pension policy
30 shall study the options available to the legislature for addressing the
31 liability associated with future gain-sharing benefits. These options
32 may include, but shall not be limited to, repealing, delaying, or
33 suspending the gain-sharing provisions in law; making gain-sharing
34 discretionary; or replacing gain-sharing benefits with other benefits
35 such as plan choice, employer defined contributions, retirement
36 eligibility enhancements, and post-retirement adjustments. The select

1 committee on pension policy shall report the findings and
2 recommendations of its study to the legislative fiscal committees by no
3 later December 15, 2005.

4 NEW SECTION. **Sec. 979.** If any provision of this act or its
5 application to any person or circumstance is held invalid, the
6 remainder of the act or the application of the provision to other
7 persons or circumstances is not affected.

8 NEW SECTION. **Sec. 980.** Except for sections 922 and 930 of this
9 act, this act is necessary for the immediate preservation of the public
10 peace, health, or safety, or support of the state government and its
11 existing public institutions, and takes effect immediately.

12 NEW SECTION. **Sec. 981.** Section 922 (RCW 41.50.110) of this act
13 takes effect July 1, 2006.

14 NEW SECTION. **Sec. 982.** Section 921 (RCW 41.50.110) of this act
15 expires July 1, 2006.

16 NEW SECTION. **Sec. 983.** Section 930 (RCW 43.135.045) of this act
17 takes effect June 30, 2005.

(End of part)

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1 Correct the title.

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