



1 TOTAL APPROPRIATION . . . . . ((~~\$11,195,000~~))  
2 \$11,198,000

3 **Sec. 102.** 2004 c 276 s 106 (uncodified) is amended to read as  
4 follows:

5 **FOR THE LAW LIBRARY**  
6 General Fund--State Appropriation (FY 2004) . . . . . \$2,049,000  
7 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$2,050,000~~))  
8 \$2,089,000  
9 TOTAL APPROPRIATION . . . . . ((~~\$4,099,000~~))  
10 \$4,138,000

11 **Sec. 103.** 2004 c 276 s 107 (uncodified) is amended to read as  
12 follows:

13 **FOR THE COURT OF APPEALS**  
14 General Fund--State Appropriation (FY 2004) . . . . . \$12,523,000  
15 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$12,931,000~~))  
16 \$12,971,000  
17 TOTAL APPROPRIATION . . . . . ((~~\$25,454,000~~))  
18 \$25,494,000

19 **Sec. 104.** 2004 c 276 s 108 (uncodified) is amended to read as  
20 follows:

21 **FOR THE ADMINISTRATOR FOR THE COURTS**  
22 General Fund--State Appropriation (FY 2004) . . . . . \$17,374,000  
23 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$18,036,000~~))  
24 \$18,082,000  
25 Public Safety and Education Account--State  
26 Appropriation . . . . . ((~~\$43,534,000~~))  
27 \$43,576,000  
28 Judicial Information Systems Account--State  
29 Appropriation . . . . . \$31,803,000  
30 TOTAL APPROPRIATION . . . . . ((~~\$110,747,000~~))  
31 \$110,835,000

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

34 (1) The judicial information systems account appropriation shall be

1 used for the operations and maintenance of technology systems that  
2 improve services provided by the supreme court, the court of appeals,  
3 the office of public defense, and the administrator for the courts.

4 (2) \$750,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$750,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for court-appointed special  
7 advocates in dependency matters. The administrator for the courts,  
8 after consulting with the association of juvenile court administrators  
9 and the association of court-appointed special advocate/guardian ad  
10 litem programs, shall distribute the funds to volunteer court-appointed  
11 special advocate/guardian ad litem programs. The distribution of  
12 funding shall be based on the number of children who need volunteer  
13 court-appointed special advocate representation and shall be equally  
14 accessible to all volunteer court-appointed special advocate/guardian  
15 ad litem programs. The administrator for the courts shall not retain  
16 more than six percent of total funding to cover administrative or any  
17 other agency costs.

18 (3) \$16,172,000 of the judicial information systems account--state  
19 appropriation is provided solely for improvements and enhancements to  
20 the judicial information system. Of this amount, \$1,100,000 is  
21 provided solely for disaster recovery planning, equipment, and testing  
22 for the judicial information system.

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

31 (5) \$13,224,000 of the public safety and education account--state  
32 appropriation is provided solely for distribution to county juvenile  
33 court administrators to fund the costs of processing truancy, children  
34 in need of services, and at-risk youth petitions. The office of the  
35 administrator for the courts shall not retain any portion of these  
36 funds to cover administrative costs. The office of the administrator  
37 for the courts, in conjunction with the juvenile court administrators,  
38 shall develop an equitable funding distribution formula. The formula

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

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

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

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

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

34 **Sec. 105.** 2004 c 276 s 110 (uncodified) is amended to read as  
35 follows:

36 **FOR THE OFFICE OF THE GOVERNOR**

37 General Fund--State Appropriation (FY 2004) . . . . . \$3,773,000

1 General Fund--State Appropriation (FY 2005) . . . . . (~~(\$4,011,000)~~)  
2 \$4,053,000  
3 General Fund--Federal Appropriation . . . . . \$1,140,000  
4 Water Quality Account--State  
5 Appropriation . . . . . \$3,854,000  
6 TOTAL APPROPRIATION . . . . . (~~(\$12,778,000)~~)  
7 \$12,820,000

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

14 **Sec. 106.** 2004 c 276 s 111 (uncodified) is amended to read as  
15 follows:

16 **FOR THE SECRETARY OF STATE**

17 General Fund--State Appropriation (FY 2004) . . . . . \$24,336,000  
18 General Fund--State Appropriation (FY 2005) . . . . . (~~(\$17,092,000)~~)  
19 \$18,045,000  
20 General Fund--Federal Appropriation . . . . . \$6,967,000  
21 Archives and Records Management Account--State  
22 Appropriation . . . . . (~~(\$8,414,000)~~)  
23 \$8,460,000  
24 Department of Personnel Service Account--State  
25 Appropriation . . . . . \$699,000  
26 Election Account--State Appropriation . . . . . (~~(\$3,140,000)~~)  
27 \$2,360,000  
28 Election Account--Federal Appropriation . . . . . \$33,121,000  
29 Local Government Archives Account--State Appropriation . . \$9,010,000  
30 TOTAL APPROPRIATION . . . . . (~~(\$96,741,000)~~)  
31 \$102,998,000

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

34 (1) \$2,296,000 of the general fund--state appropriation for fiscal  
35 year 2004 is provided solely to reimburse counties for the state's  
36 share of primary and general election costs and the costs of conducting

1 mandatory recounts on state measures. Counties shall be reimbursed  
2 only for those odd-year election costs that the secretary of state  
3 validates as eligible for reimbursement.

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

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

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

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

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

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

1 (i) Attempting to influence the passage or defeat of any  
2 legislation by the legislature of the state of Washington, by any  
3 county, city, town, or other political subdivision of the state of  
4 Washington, or by the congress, or the adoption or rejection of any  
5 rule, standard, rate, or other legislative enactment of any state  
6 agency;

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

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

10 (5) \$252,000 of the archives and records management account--state  
11 appropriation and \$1,504,000 of the local government archives account--  
12 state appropriation are provided solely for additional facility capital  
13 costs, digital archive technology architecture costs, and additional  
14 digital archive staff and operational costs, associated with the new  
15 eastern regional archives and digital archives facility.

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

27 (7) \$953,000 of the general fund--state appropriation for fiscal  
28 year 2005 is provided solely for attorneys' fees and costs associated  
29 with litigation regarding the blanket primary, including costs already  
30 awarded by the U.S. Court of Appeals for the Ninth Circuit.

31 **Sec. 107.** 2004 c 276 s 115 (uncodified) is amended to read as  
32 follows:

33 **FOR THE ATTORNEY GENERAL**

34	General Fund--State Appropriation (FY 2004) . . . . .	\$4,345,000
35	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$4,166,000</del> ))
36		<u>\$4,518,000</u>
37	General Fund--Federal Appropriation . . . . .	\$2,845,000

1	Public Safety and Education Account--State	
2	Appropriation . . . . .	\$2,001,000
3	Tobacco Prevention and Control Account--State	
4	Appropriation . . . . .	\$270,000
5	New Motor Vehicle Arbitration Account--State	
6	Appropriation . . . . .	\$1,180,000
7	Legal Services Revolving Account--State	
8	Appropriation . . . . .	<del>(\$166,624,000)</del>
9		<u>\$170,296,000</u>
10	TOTAL APPROPRIATION . . . . .	<del>(\$181,431,000)</del>
11		<u>\$185,455,000</u>

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

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

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

25       (3) \$818,000 of the legal services revolving account--state  
26 appropriation is provided solely for legal defense costs associated  
27 with *Pacific Sound Resources v. Burlington Northern Santa Fe Railroad*  
28 *et al.*

29       (4) \$70,000 of the legal services revolving account--state  
30 appropriation is provided solely to implement Engrossed Second  
31 Substitute Senate Bill No. 6489 (correctional industries). If the bill  
32 is not enacted by June 30, 2004, the amount provided in this subsection  
33 shall lapse.

34       **Sec. 108.** 2004 c 276 s 117 (uncodified) is amended to read as  
35 follows:

36       **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**  
37 General Fund--State Appropriation (FY 2004) . . . . . \$61,805,000

1	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$66,566,000</del> ))
2		<u>\$66,656,000</u>
3	General Fund--Federal Appropriation . . . . .	\$236,264,000
4	General Fund--Private/Local Appropriation . . . . .	\$15,075,000
5	Public Safety and Education Account--State	
6	Appropriation . . . . .	\$10,095,000
7	Public Works Assistance Account--State	
8	Appropriation . . . . .	\$2,088,000
9	Building Code Council Account--State	
10	Appropriation . . . . .	\$1,061,000
11	Administrative Contingency Account--State	
12	Appropriation . . . . .	\$1,776,000
13	Low-Income Weatherization Assistance Account--State	
14	Appropriation . . . . .	\$8,293,000
15	Violence Reduction and Drug Enforcement Account--	
16	State Appropriation . . . . .	\$9,013,000
17	Manufactured Home Installation Training Account--	
18	State Appropriation . . . . .	\$256,000
19	Community Economic Development Account--	
20	State Appropriation . . . . .	\$1,581,000
21	Washington Housing Trust Account--State	
22	Appropriation . . . . .	\$(( <del>16,740,000</del> ))
23		<u>\$16,965,000</u>
24	Public Facility Construction Loan Revolving	
25	Account--State Appropriation . . . . .	\$622,000
26	Lead Paint Account--State Appropriation . . . . .	\$6,000
27	Developmental Disabilities Endowment Trust Fund--	
28	State Appropriation . . . . .	\$120,000
29	Homeless Families Services Fund--State	
30	Appropriation . . . . .	\$150,000
31	TOTAL APPROPRIATION . . . . .	(( <del>\$431,511,000</del> ))
32		<u>\$431,826,000</u>

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

35       (1) \$2,838,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$2,838,000 of the general fund--state appropriation for  
37 fiscal year 2005 are provided solely for a contract with the Washington  
38 technology center. For work essential to the mission of the Washington

1 technology center and conducted in partnership with universities, the  
2 center shall not pay any increased indirect rate nor increases in other  
3 indirect charges above the absolute amount paid during the 1995-97  
4 fiscal biennium.

5 (2) \$61,000 of the general fund--state appropriation for fiscal  
6 year 2004 and \$62,000 of the general fund--state appropriation for  
7 fiscal year 2005 are provided solely for the implementation of the  
8 Puget Sound work plan and agency action item OCD-01.

9 (3) \$10,180,797 of the general fund--federal appropriation is  
10 provided solely for the drug control and system improvement formula  
11 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

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

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

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

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

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

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

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

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

1 (1) \$572,919 to the office of financial management for criminal  
2 history records improvement; and

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

5 These amounts represent the maximum Byrne grant expenditure  
6 authority for each program. No program may expend Byrne grant funds in  
7 excess of the amounts provided in this subsection. If moneys in excess  
8 of those appropriated in this subsection become available, whether from  
9 prior or current fiscal year Byrne grant distributions, the department  
10 shall hold these moneys in reserve and may not expend them without  
11 specific appropriation. These moneys shall be carried forward and  
12 applied to the pool of moneys available for appropriation for programs  
13 and projects in the succeeding fiscal year. As part of its budget  
14 request for the succeeding year, the department shall estimate and  
15 request authority to spend any funds remaining in reserve as a result  
16 of this subsection.

17 (4) \$125,000 of the general fund--state appropriation for fiscal  
18 year 2004 and \$125,000 of the general fund--state appropriation for  
19 fiscal year 2005 are provided solely for implementing the industries of  
20 the future strategy.

21 (5) \$200,000 of the general fund--state appropriation for fiscal  
22 year 2004 and \$200,000 of the general fund--state appropriation for  
23 fiscal year 2005 are provided solely for a contract with the Washington  
24 manufacturing services.

25 (6) \$205,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$205,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely for grants to Washington Columbia  
28 River Gorge counties to implement their responsibilities under the  
29 national scenic area management plan. Of this amount, \$390,000 is  
30 provided for Skamania county and \$20,000 is provided for Clark county.

31 (7) \$50,000 of the general fund--state appropriation for fiscal  
32 year 2004 and \$50,000 of the general fund--state appropriation for  
33 fiscal year 2005 are provided solely for a contract with international  
34 trade alliance of Spokane.

35 (8) \$5,085,000 of the general fund--state appropriation for fiscal  
36 year 2004, \$5,085,000 of the general fund--state appropriation for  
37 fiscal year 2005, \$4,250,000 of the general fund--federal  
38 appropriation, and \$6,145,000 of the Washington housing trust account

1 are provided solely for providing housing and shelter for homeless  
2 people, including but not limited to grants to operate, repair, and  
3 staff shelters; grants to operate transitional housing; partial  
4 payments for rental assistance; consolidated emergency assistance;  
5 overnight youth shelters; and emergency shelter assistance.

6 (9) \$369,000 of the community economic development account  
7 appropriation and \$120,000 of the developmental disabilities endowment  
8 trust fund appropriation are provided solely for support of the  
9 developmental disabilities endowment governing board and costs of the  
10 endowment program. The governing board may use appropriations to  
11 implement a sliding-scale fee waiver for families earning below 150  
12 percent of the state median family income.

13 (10) \$800,000 of the general fund--federal appropriation and \$6,000  
14 of the lead paint account--state appropriation are provided solely to  
15 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).  
16 If the bill is not enacted by June 30, 2003, the amounts provided in  
17 this subsection shall lapse.

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

27 (12) \$200,000 of the general fund--state appropriation for fiscal  
28 year 2004 and \$200,000 of the general fund--state appropriation for  
29 fiscal year 2005 are provided solely for the tourism office to market  
30 Washington state as a travel destination to northwest states,  
31 California, and British Columbia. By December 1, 2004, the department  
32 shall report to the relevant legislative policy and fiscal committees  
33 on the effectiveness of these expenditures.

34 (13) \$200,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$200,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided solely for business development  
37 activities to conduct statewide and/or regional business recruitment  
38 and client lead generation services. In administering this funding,

1 the department shall solicit recommendations from a statewide economic  
2 development organization representing associate development  
3 organizations.

4 (14) \$60,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$60,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for the community services block  
7 grant program for pass-through to community action agencies.

8 (15) \$26,862,000 of the general fund--state appropriation for  
9 fiscal year 2004 and \$26,862,000 of the general fund--state  
10 appropriation for fiscal year 2005 are provided solely for providing  
11 early childhood education assistance.

12 (16) Within the amounts appropriated in this section, funding is  
13 provided for Washington state dues for the Pacific northwest economic  
14 region.

15 (17) \$200,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$200,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely for the foreign offices (overseas  
18 representatives) to expand local capacity for China, expand operations  
19 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington  
20 exporters in expanding their sales opportunities.

21 (18) \$600,000 of the public safety and education account  
22 appropriation is provided solely for sexual assault prevention and  
23 treatment programs.

24 (19) \$65,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$65,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely for a contract with a food  
27 distribution program for communities in the southwestern portion of the  
28 state and for workers impacted by timber and salmon fishing closures  
29 and reductions. The department may not charge administrative overhead  
30 or expenses to the funds provided in this subsection.

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

1 account may be retained by the lender or contract collection agent, and  
2 shall be considered a fee for processing payments on behalf of the  
3 state. Repayments of loans granted under this chapter shall be made to  
4 the lender or contract collection agent as long as the loan is  
5 outstanding, notwithstanding the repeal of the chapter.

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

9 (22) \$10,208,818 of the general fund--federal appropriation is  
10 provided solely for the drug control and system improvement formula  
11 grant program, to be distributed in state fiscal year 2005 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

5 These amounts represent the maximum Byrne grant expenditure  
6 authority for each program. No program may expend Byrne grant funds in  
7 excess of the amounts provided in this subsection. If moneys in excess  
8 of those appropriated in this subsection become available, whether from  
9 prior or current fiscal year Byrne grant distributions, the department  
10 shall hold those moneys in reserve and may not expend them without  
11 specific appropriation. These moneys shall be carried forward and  
12 applied to the pool of moneys available for appropriation for programs  
13 and projects in the succeeding fiscal year. As part of its budget  
14 request for the succeeding year, the department shall estimate and  
15 request authority to spend any funds remaining in reserve as a result  
16 of this subsection.

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

28 (24) \$163,000 of the general fund--state appropriation for fiscal  
29 year 2005 is provided solely for pass through to community voice mail  
30 agencies as identified in this subsection, in order for these agencies  
31 to provide people in crisis and transition free and personalized voice  
32 mail services:

33 (a) The Opportunity Council, Bellingham, \$15,000;

34 (b) Skagit Community Action, Skagit county, \$12,000;

35 (c) The Opportunity Council, Island county, \$11,000;

36 (d) Volunteers of America, Snohomish county, \$10,616;

37 (e) Fremont Public Association, Seattle, \$27,909;

38 (f) Metropolitan Development Council, Tacoma, \$10,475;

- 1 (g) Community Voice Mail National, Olympia, \$18,000;  
2 (h) Council on Homelessness, Vancouver, \$12,500;  
3 (i) Chelan-Douglas Community Action, north central Washington,  
4 \$13,000;  
5 (j) Benton-Franklin Community Action, south central Washington,  
6 \$17,500; and  
7 (k) SNAP, Spokane, \$15,000.

8 (25) \$634,000 of the general fund--state appropriation for fiscal  
9 year 2004, \$634,000 of the general fund--state appropriation for fiscal  
10 year 2005, and \$1,101,000 of the administrative contingency account  
11 appropriation are provided solely for contracting with associate  
12 development organizations to maintain existing programs.

13 (26) \$150,000 of the general fund--state appropriation for fiscal  
14 year 2005 is provided solely to the department of community, trade, and  
15 economic development for the northwest orthopaedic institute to develop  
16 additional organizational infrastructure to assist community-based  
17 musculoskeletal health research.

18 (27) \$300,000 of the general fund--state appropriation for fiscal  
19 year 2005 is provided solely to the department of community, trade, and  
20 economic development for the youth assessment center in Pierce county  
21 for activities dedicated to reducing the rate of incarceration of  
22 juvenile offenders.

23 (28) \$99,000 of the general fund--state appropriation for fiscal  
24 year 2005 is provided solely for the retired senior volunteer program.

25 (29) \$2,000,000 of the general fund--state appropriation for fiscal  
26 year 2005 is provided solely for increased civil legal services for the  
27 indigent. Of this amount, \$100,000 shall be allocated to a general  
28 farm organization with members in every county of the state to develop  
29 and administer an alternative dispute resolution system for disputes  
30 between farmers and farm workers.

31 (30) \$2,000,000 of the general fund--state appropriation for fiscal  
32 year 2005 is provided solely for deposit in the homeless families  
33 services fund created in section 718 of this act.

34 (31) The entire homeless families services fund--state  
35 appropriation is provided solely to administer the homeless families  
36 fund and program created in section 718 of this act. It is the intent  
37 of the legislature that beginning with the 2005-07 biennium, the

1 department choose a qualified contractor to administer the homeless  
2 families services fund program.

3 (32) \$421,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$193,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely to coordinate the state's efforts  
6 in siting the 7E7 final assembly plant.

7 (33) \$60,000 of the general fund--state appropriation for fiscal  
8 year 2005 is provided solely for a study under (a) through (i) of this  
9 subsection. Expenditure of this amount is contingent upon a \$60,000  
10 match from a county with a population exceeding one million. The  
11 department shall conduct a study to:

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

16 (i) The number of acres annexed;

17 (ii) The number of acres incorporated;

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

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

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

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

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

31 (e) Survey residents of urban unincorporated areas in each of the  
32 subject counties to identify their attitudes towards annexation or  
33 incorporation;

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

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

1 (h) Assess the role and statutory authority of the boundary review  
2 board and how altering their role and authority might facilitate  
3 annexation; and

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

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

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

11 (34) \$150,000 of the general fund--state appropriation for fiscal  
12 year 2005 is provided solely for deposit in the small business  
13 incubator account to implement Engrossed Substitute House Bill No. 2784  
14 (small business incubator program). If this bill is not enacted by  
15 June 30, 2004, the amount provided in this subsection shall lapse.

16 (35) \$75,000 of the general fund--state appropriation for fiscal  
17 year 2004 is provided solely to implement Substitute Senate Bill No.  
18 6488 (agricultural lands study). If the bill is not enacted by June  
19 30, 2004, the amount provided in this subsection shall lapse.

20 **Sec. 109.** 2004 c 276 s 118 (uncodified) is amended to read as  
21 follows:

22 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

23	General Fund--State Appropriation (FY 2004) . . . . .	\$12,617,000
24	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$12,860,000)</del>
25		<u>\$12,910,000</u>
26	General Fund--Federal Appropriation . . . . .	\$23,924,000
27	Violence Reduction and Drug Enforcement	
28	Account--State Appropriation . . . . .	\$242,000
29	State Auditing Services Revolving	
30	Account--State Appropriation . . . . .	\$25,000
31	TOTAL APPROPRIATION . . . . .	<del>(\$49,668,000)</del>
32		<u>\$49,718,000</u>

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

35 (1) \$67,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$232,000 of the general fund--state appropriation for  
37 fiscal year 2005 are provided solely to implement Second Substitute

1 Senate Bill No. 5694 (integrated permit system) and Second Substitute  
2 Senate Bill No. 6217 (regulatory improvement center). If Second  
3 Substitute Senate Bill No. 6217 is not enacted by June 30, 2004,  
4 \$50,000 of the general fund--state appropriation for fiscal year 2005  
5 shall lapse.

6 (2) By November 15, 2003, the office of financial management shall  
7 report to the house of representatives committees on appropriations,  
8 capital budget, and transportation and to the senate committees on ways  
9 and means and highways and transportation on the ten general priorities  
10 of government upon which the 2005-07 biennial budgets will be  
11 structured. Each priority must include a proposed set of cross agency  
12 activities with definitions and outcome measures. For historical  
13 comparisons, the 2001-03 expenditures and 2003-05 appropriations must  
14 be restated in this format and organized by priority, activity, fund  
15 source, and agency.

16 (3) \$40,000 of the general fund--state appropriation for fiscal  
17 year 2005 is provided solely for the office of financial management to  
18 contract for an evaluation of the costs and benefits of additional  
19 efforts aimed at encouraging K-12 employee collective bargaining units  
20 to elect coverage under public employee benefits board (PEBB)  
21 administered health care plans. This evaluation will include, but is  
22 not limited to, the following: A review of current processes for the  
23 procurement of health benefit coverage by K-12 employees; an assessment  
24 of the costs and benefits for the state, local school districts, and K-  
25 12 employees of moving to PEBB administered health care plans; and  
26 options for creating incentives for K-12 employee collective bargaining  
27 units moving to PEBB administered plans. The office of financial  
28 management shall report regarding the results of this study to the  
29 governor and the fiscal committees of the legislature by December 1,  
30 2004.

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

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

6 (i) The information that can most appropriately be used to provide  
7 guidance to the trier of fact regarding noneconomic damage awards,  
8 giving consideration to past noneconomic damage awards for similar  
9 injuries, considering severity and duration of the injuries, and other  
10 factors deemed appropriate by the task force; past noneconomic damage  
11 awards for similar claims for damages; and such other information the  
12 task force finds appropriate;

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

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

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

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

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

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

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

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

1 (e) Legislative members of the task force shall be reimbursed for  
2 travel expenses under RCW 44.04.120. Nonlegislative members of the  
3 task force shall be reimbursed for travel expenses as provided in RCW  
4 43.03.050 and 43.03.060.

5 (f) The office of financial management shall provide support to the  
6 task force with the assistance of staff from the administrative office  
7 of the courts, the house of representatives office of program research,  
8 and senate committee services.

9 (5) \$252,000 of the general fund--state appropriation for fiscal  
10 year 2005 is provided solely for the office to study land use and local  
11 government finance and make recommendations on the impact that current  
12 trends in city and county revenue sources and expenditures may have on  
13 land use decisions made by counties and cities and meeting goals of the  
14 growth management act. Among the areas to be studied: Local  
15 government revenue sources and expenditures over the past decade; the  
16 relationship between local government finances and land use decisions  
17 including commercial, residential, and industrial development;  
18 cooperation or competition of adjoining jurisdictions over land use and  
19 annexation; the relationship new development has to existing commercial  
20 and residential areas and its effect on a community's infrastructure  
21 and quality of life. The study shall include recommendations for state  
22 and local government fiscal partnerships that encourage cooperation  
23 among jurisdictions to meet the goals of the growth management act, and  
24 how the state and local government fiscal structure can better meet the  
25 responsibilities of providing services to citizens and meeting the  
26 goals of the growth management act.

27 **Sec. 110.** 2003 1st sp.s. c 25 s 119 (uncodified) is amended to  
28 read as follows:

29 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

30	General Fund--State Appropriation (FY 2004) . . . . .	\$228,000
31	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$239,000)</del>
32		<u>\$250,000</u>
33	TOTAL APPROPRIATION . . . . .	<del>(\$467,000)</del>
34		<u>\$478,000</u>

35 **Sec. 111.** 2004 c 276 s 120 (uncodified) is amended to read as  
36 follows:

1 **FOR THE DEPARTMENT OF PERSONNEL**

2 Department of Personnel Service Account--State

3 Appropriation . . . . . ((~~\$16,247,000~~))

4 \$18,854,000

5 Higher Education Personnel Services Account--State

6 Appropriation . . . . . \$1,612,000

7 TOTAL APPROPRIATION . . . . . ((~~\$17,859,000~~))

8 \$20,466,000

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

11 (1) The department is authorized to enter into a financing contract  
12 for up to \$38,911,000, plus necessary financing expenses and required  
13 reserves, pursuant to chapter 39.94 RCW. The contract shall be to  
14 purchase, develop, and implement a new statewide payroll system and  
15 shall be for a term of not more than twelve years. The legislature  
16 recognizes the critical nature of the human resource management system  
17 and its relationship to successful implementation of civil service  
18 reform, collective bargaining, and the ability to permit contracting  
19 out of services to the private sector. Projects of this size and  
20 complexity have many risks associated with their successful and timely  
21 completion, therefore, to help ensure project success, the department  
22 of personnel and the office of financial management shall jointly  
23 report to the legislature by January 15, 2004, on progress toward  
24 implementing the human resource management system. The report shall  
25 include a description of mitigation strategies employed to address the  
26 risks related to: Business requirements not fully defined at the  
27 project outset; short time frame for system implementation; and delays  
28 experienced by other states. The report shall assess the probability  
29 of meeting the system implementation schedule and recommend contingency  
30 strategies as needed. The report shall establish the timelines, the  
31 critical path, and the dependencies for realizing each of the benefits  
32 articulated in the system feasibility study.

33 (2) The department shall coordinate with the governor's office of  
34 Indian affairs on providing one-day government to government training  
35 sessions for federal, state, local, and tribal government employees.  
36 The training sessions must cover tribal historical perspectives, legal  
37 issues, tribal sovereignty, and tribal governments. Costs of the

1 training sessions shall be recouped through a fee charged to the  
2 participants of each session.

3 **Sec. 112.** 2004 c 276 s 121 (uncodified) is amended to read as  
4 follows:

5 **FOR THE DEPARTMENT OF REVENUE**

6	General Fund--State Appropriation (FY 2004) . . . . .	\$82,644,000
7	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$82,036,000 ))</del>
8		<u>\$82,606,000</u>
9	Timber Tax Distribution Account--State	
10	Appropriation . . . . .	\$5,327,000
11	Waste Education/Recycling/Litter Control--State	
12	Appropriation . . . . .	\$101,000
13	State Toxics Control Account--State	
14	Appropriation . . . . .	\$67,000
15	Oil Spill Administration Account--State	
16	Appropriation . . . . .	\$14,000
17	TOTAL APPROPRIATION . . . . .	<del>(( \$170,189,000 ))</del>
18		<u>\$170,759,000</u>

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

21 (1) \$120,000 of the general fund--state appropriation for fiscal  
22 year 2005 is provided solely to implement Senate Bill No. 5034 (senior  
23 citizen property tax exemption). If the bill is not enacted by June  
24 30, 2004, the amount provided in this subsection shall lapse.

25 (2) \$136,000 of the timber tax distribution account appropriation  
26 is provided solely to implement Engrossed Substitute House Bill No.  
27 2693 (taxation of timber). If the bill is not enacted by June 30,  
28 2004, the amount provided in this subsection shall lapse.

29 **Sec. 113.** 2004 c 276 s 122 (uncodified) is amended to read as  
30 follows:

31 **FOR THE BOARD OF TAX APPEALS**

32	General Fund--State Appropriation (FY 2004) . . . . .	\$1,186,000
33	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$1,033,000 ))</del>
34		<u>\$1,055,000</u>
35	TOTAL APPROPRIATION . . . . .	<del>(( \$2,219,000 ))</del>
36		<u>\$2,241,000</u>



1 TOTAL APPROPRIATION . . . . . ((~~\$6,219,000~~))

2 \$6,340,000

3 The appropriations in this section are subject to the following  
4 conditions and limitations: \$1,000,000 of the general fund--state  
5 appropriation for fiscal year 2004 and (~~(\$1,650,000)~~) \$1,771,000 of the  
6 general fund--state appropriation for fiscal year 2005 are provided  
7 solely for the digital learning commons to create a demonstration  
8 project, in collaboration with schools, which will provide a web-based  
9 portal where students, parents, and teachers from around the state will  
10 have access to digital curriculum resources, learning tools, and online  
11 classes. The intent is to establish a clearinghouse of high quality  
12 online courses and curriculum materials that are aligned with the  
13 state's essential learning requirements. The clearinghouse shall be  
14 designed for ease of use and shall pool the purchasing power of the  
15 state so that these resources and courses are affordable and accessible  
16 to schools, teachers, students, and parents. These appropriations are  
17 subject to the following conditions and limitations:

18 (1) The funding provided in this section shall be expended  
19 primarily for acquiring online courses and curriculum materials that  
20 are aligned with the state "essential learning requirements" and that  
21 meet standards of quality. No more than ten percent of the funds  
22 provided in this subsection shall be used for administrative expenses  
23 of the digital learning commons.

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

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

31 (4) In consultation with the department of information services,  
32 the office of financial management shall monitor compliance with these  
33 conditions and limitations. By February 1, 2004, the digital learning  
34 commons shall submit a report to the governor and the appropriate  
35 legislative committees detailing the types of courses and services  
36 offered and the number of students served through the digital learning  
37 commons.

1       **Sec. 117.** 2004 c 276 s 129 (uncodified) is amended to read as  
2 follows:

3 **FOR THE LIQUOR CONTROL BOARD**

4	General Fund--State Appropriation (FY 2004) . . . . .	\$1,454,000
5	General Fund--State Appropriation (FY 2005) . . . . .	\$1,455,000
6	Liquor Control Board Construction and Maintenance	
7	Account--State Appropriation . . . . .	<del>(( \$5,717,000 ))</del>
8		<u>\$10,217,000</u>
9	Liquor Revolving Account--State	
10	Appropriation . . . . .	<del>(( \$135,303,000 ))</del>
11		<u>\$135,635,000</u>
12	TOTAL APPROPRIATION . . . . .	<del>(( \$143,929,000 ))</del>
13		<u>\$148,761,000</u>

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

16       (1) \$2,000,000 of the liquor revolving account appropriation is  
17 provided solely for the costs associated with the merchandising  
18 business system, with priority placed on the point-of-sale component of  
19 the system. Actual expenditures are limited to the balance of funds  
20 remaining from the \$4,803,000 appropriation provided for the  
21 merchandise business system in the 2001-03 budget.

22       (2) \$1,309,000 of the liquor revolving account appropriation is  
23 provided solely for the costs associated with the merchandising  
24 business system solution, with priority placed on the point-of-sale  
25 component of the system. These costs include hiring system-related  
26 staff and procuring system-related hardware and software.

27       (3) As required under RCW 66.16.010, the liquor control board shall  
28 add an equivalent surcharge of \$0.42 per liter on all retail sales of  
29 spirits, excluding licensee, military and tribal sales, effective no  
30 later than September 1, 2003. The intent of this surcharge is to raise  
31 ~~(( \$14,000,000 in ))~~ additional revenue for the 2003-05 biennium. ~~(( To~~  
32 ~~the extent that a lesser surcharge is sufficient to raise \$14,000,000,~~  
33 ~~the board may reduce the amount of the surcharge. The board shall~~  
34 ~~remove the surcharge once it generates \$14,000,000, but no later than~~  
35 ~~June 30, 2005.))~~

36       (4) During the 2003-2005 fiscal biennium, the board may increase  
37 the fee for the certificate of approval in excess of the fiscal growth  
38 factor under RCW 43.135.055 if the increase is necessary to fully fund

1 the costs of administering the certificate of approval program under  
2 Substitute Senate Bill No. 6655, as amended. If the bill is not  
3 enacted by June 30, 2004, this subsection is null and void.

4 (5) \$385,000 of the liquor revolving account--state appropriation  
5 is provided solely to implement Engrossed Substitute Senate Bill No.  
6 6655 (beer/wine manufacturers). If the bill is not enacted by June 30,  
7 2004, the amount provided in this subsection shall lapse.

8 (6) \$4,500,000 of the liquor control board construction and  
9 maintenance account is provided solely for a three-level pick module,  
10 a pick module conveyor, additional deck lanes, associated material  
11 handling system equipment, and architectural and engineering/project  
12 management consulting fees to increase the liquor distribution center's  
13 shipping capacity.

14 **Sec. 118.** 2004 c 276 s 131 (uncodified) is amended to read as  
15 follows:

16 **FOR THE MILITARY DEPARTMENT**

17	General Fund--State Appropriation (FY 2004) . . . . .	\$8,578,000
18	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$8,466,000)</del>
19		<u>\$8,494,000</u>
20	General Fund--Federal Appropriation . . . . .	<del>(\$143,243,000)</del>
21		<u>\$143,305,000</u>
22	General Fund--Private/Local Appropriation . . . . .	\$371,000
23	Enhanced 911 Account--State Appropriation . . . . .	\$33,955,000
24	Disaster Response Account--State Appropriation . . . . .	<del>(\$3,387,000)</del>
25		<u>\$2,723,000</u>
26	Disaster Response Account--Federal Appropriation . . . . .	<del>(\$7,857,000)</del>
27		<u>\$7,062,000</u>
28	Worker and Community Right to Know Fund--State	
29	Appropriation . . . . .	\$290,000
30	Nisqually Earthquake Account--State	
31	Appropriation . . . . .	<del>(\$17,869,000)</del>
32		<u>\$15,000,000</u>
33	Nisqually Earthquake Account--Federal	
34	Appropriation . . . . .	<del>(\$62,103,000)</del>
35		<u>\$48,256,000</u>
36	TOTAL APPROPRIATION . . . . .	<del>(\$286,119,000)</del>
37		<u>\$268,034,000</u>

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

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

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

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

1 legislature. The military department is to submit a quarterly report  
2 detailing the costs authorized under this subsection to the office of  
3 financial management and the legislative fiscal committees.

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

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

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

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

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

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

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

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

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

1 (i) The department shall submit a quarterly report to the office of  
2 financial management and the legislative fiscal committees detailing  
3 the governor's domestic security advisory group recommendations;  
4 homeland security revenues and expenditures, including estimates of  
5 total federal funding for Washington state; incremental changes from  
6 the previous estimate, planned and actual homeland security  
7 expenditures by the state and local governments with this federal  
8 funding; and matching or accompanying state or local expenditures.

9 **Sec. 119.** 2004 c 276 s 132 (uncodified) is amended to read as  
10 follows:

11 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

12	General Fund--State Appropriation (FY 2004) . . . . .	\$2,362,000
13	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$2,437,000)</del>
14		<u>\$2,396,000</u>
15	Department of Personnel Service Account--State	
16	Appropriation . . . . .	\$2,542,000
17	TOTAL APPROPRIATION . . . . .	<del>(\$7,341,000)</del>
18		<u>\$7,300,000</u>

19 ~~((The appropriations in this section are subject to the following~~  
20 ~~conditions and limitations: \$41,000 of the general fund state~~  
21 ~~appropriation for fiscal year 2005 is provided solely for the~~  
22 ~~implementation of Second Substitute House Bill No. 2295 or Second~~  
23 ~~Engrossed Substitute Senate Bill No. 5012 (charter schools). If~~  
24 ~~neither bill is enacted by June 30, 2004, the amount provided in this~~  
25 ~~subsection shall lapse.))~~

26 **Sec. 120.** 2003 1st sp.s. c 25 s 152 (uncodified) is amended to  
27 read as follows:

28 **FOR THE GROWTH PLANNING HEARINGS BOARD**

29	General Fund--State Appropriation (FY 2004) . . . . .	\$1,536,000
30	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$1,467,000)</del>
31		<u>\$1,522,000</u>
32	TOTAL APPROPRIATION . . . . .	<del>(\$3,003,000)</del>
33		<u>\$3,058,000</u>

(End of part)



1 programs after approval by the director of financial management.

2 However, the department shall not transfer state moneys that are  
3 provided solely for a specified purpose except as expressly provided in  
4 subsection (3)(b) of this section.

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

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

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

1 with health care service contractors licensed by the office of the  
2 insurance commissioner and qualified to participate in both the  
3 medicaid and medicare programs. The department shall conduct an  
4 evaluation of the WMIP, measuring changes in participant health  
5 outcomes, changes in patterns of service utilization, participant  
6 satisfaction, participant access to services, and the state fiscal  
7 impact.

8 **Sec. 202.** 2004 c 276 s 202 (uncodified) is amended to read as  
9 follows:

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**  
11 **SERVICES PROGRAM**

12	General Fund--State Appropriation (FY 2004) . . . . .	\$219,291,000
13	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$229,924,000)</del>
14		<u>\$226,779,000</u>
15	General Fund--Federal Appropriation . . . . .	<del>(\$422,870,000)</del>
16		<u>\$422,254,000</u>
17	General Fund--Private/Local Appropriation . . . . .	\$400,000
18	Public Safety and Education Account--	
19	State Appropriation . . . . .	\$21,488,000
20	Violence Reduction and Drug Enforcement Account--	
21	State Appropriation . . . . .	\$1,488,000
22	TOTAL APPROPRIATION . . . . .	<del>(\$895,461,000)</del>
23		<u>\$891,700,000</u>

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

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

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

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

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

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

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

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

36 (7) \$50,000 of the fiscal year 2004 general fund--state  
37 appropriation and \$50,000 of the fiscal year 2005 general fund--state

1 appropriation are provided solely for a street youth program in  
2 Spokane.

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

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

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

19 **Sec. 203.** 2004 c 276 s 203 (uncodified) is amended to read as  
20 follows:

21 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**  
22 **REHABILITATION PROGRAM**

23	General Fund--State Appropriation (FY 2004) . . . . .	\$72,362,000
24	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$72,697,000)</del>
25		<u>\$75,425,000</u>
26	General Fund--Federal Appropriation . . . . .	<del>(\$6,260,000)</del>
27		<u>\$6,343,000</u>
28	General Fund--Private/Local Appropriation . . . . .	\$1,098,000
29	Juvenile Accountability Incentive	
30	Account--Federal Appropriation . . . . .	\$7,300,000
31	Violence Reduction and Drug Enforcement Account--	
32	State Appropriation . . . . .	\$37,699,000
33	TOTAL APPROPRIATION . . . . .	<del>(\$195,284,000)</del>
34		<u>\$200,227,000</u>

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

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

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

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

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

34 (5) \$16,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$16,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided solely for the implementation of chapter  
37 167, Laws of 1999 (firearms on school property). The amounts provided  
38 in this subsection are intended to provide funding for county impacts

1 associated with the implementation of chapter 167, Laws of 1999, and  
2 shall be distributed to counties as prescribed in the current  
3 consolidated juvenile services (CJS) formula.

4 (6) \$16,000 of the violence reduction and drug enforcement account  
5 appropriation is provided solely for the evaluation of the juvenile  
6 offender co-occurring disorder pilot program.

7 (7) For the purposes of a pilot project recommended by the family  
8 policy council, the juvenile rehabilitation administration shall  
9 provide a block grant, rather than categorical funding, for  
10 consolidated juvenile services, community juvenile accountability act  
11 grants, the chemically dependent disposition alternative, and the  
12 special sex offender disposition alternative to the Pierce county  
13 juvenile court. To evaluate the effect of decategorizing funding for  
14 youth services, the juvenile court shall do the following:

15 (a) Develop intermediate client outcomes according to the risk  
16 assessment tool (RAT) currently used by juvenile courts and in  
17 coordination with the juvenile rehabilitation administration and the  
18 family policy council;

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

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

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

28 (e) Provide an initial process evaluation to the juvenile  
29 rehabilitation administration and the family policy council by January  
30 30, 2004, and an intermediate evaluation by December 31, 2004. The  
31 court shall develop this evaluation in consultation with the juvenile  
32 rehabilitation administration, the family policy council, and the  
33 Washington state institute for public policy.

34 (8) \$158,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$580,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided solely to reimburse counties for local  
37 juvenile disposition alternatives implemented pursuant to Senate Bill  
38 No. 5903 (juvenile offender sentencing). The juvenile rehabilitation

1 administration, in consultation with the juvenile court administrators,  
2 shall develop an equitable distribution formula for the funding  
3 provided in this subsection. The juvenile rehabilitation  
4 administration may adjust this funding level in the event that  
5 utilization rates of the disposition alternatives are lower than the  
6 level anticipated by the total appropriations to the juvenile  
7 rehabilitation administration in this section. If the bill is not  
8 enacted by June 30, 2003, the amounts provided in this subsection shall  
9 lapse.

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

21 **Sec. 204.** 2004 c 276 s 204 (uncodified) is amended to read as  
22 follows:

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**  
24 **PROGRAM**

25 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

26	General Fund--State Appropriation (FY 2004) . . . . .	\$200,251,000
27	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$214,010,000 ))</del>
28		<u>\$211,750,000</u>
29	General Fund--Federal Appropriation . . . . .	<del>(( \$405,549,000 ))</del>
30		<u>\$403,288,000</u>
31	General Fund--Local Appropriation . . . . .	\$1,970,000
32	TOTAL APPROPRIATION . . . . .	<del>(( \$821,780,000 ))</del>
33		<u>\$836,659,000</u>

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

36 (a) Regional support networks shall use portions of the general

1 fund--state appropriation for implementation of working agreements with  
2 the vocational rehabilitation program that will maximize the use of  
3 federal funding for vocational programs.

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

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

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

35 (e) Within funds appropriated in this subsection, the department  
36 shall contract with the Clark county regional support network for  
37 development and operation of a project demonstrating collaborative  
38 methods for providing intensive mental health services in the school

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

16 (f) The department shall assure that each regional support network  
 17 increases spending on direct client services in fiscal years 2004 and  
 18 2005 by at least the same percentage as the total state, federal, and  
 19 local funds allocated to the regional support network in those years  
 20 exceed the amounts allocated to it in fiscal year 2003.

21 (2) INSTITUTIONAL SERVICES

22	General Fund--State Appropriation (FY 2004) . . . . .	\$86,607,000
23	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$87,592,000</del> ))
24		<u>\$90,793,000</u>
25	General Fund--Federal Appropriation . . . . .	(( <del>\$146,945,000</del> ))
26		<u>\$146,194,000</u>
27	General Fund--Private/Local Appropriation . . . . .	(( <del>\$29,063,000</del> ))
28		<u>\$28,419,000</u>
29	TOTAL APPROPRIATION . . . . .	(( <del>\$350,207,000</del> ))
30		<u>\$352,013,000</u>

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

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

7 (3) CIVIL COMMITMENT

8	General Fund--State Appropriation (FY 2004) . . . . .	\$29,194,000
9	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$34,400,000)</del>
10		<u>\$39,914,000</u>
11	TOTAL APPROPRIATION . . . . .	<del>(\$63,594,000)</del>
12		<u>\$69,108,000</u>

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

15 (a) \$300,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$300,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely for public safety mitigation  
18 funding for jurisdictions affected by the placement of the secure  
19 community transition facility on McNeil Island. Of this amount,  
20 \$45,000 per year shall be provided to the city of Lakewood on September  
21 1, 2003, and September 1, 2004, for police protection services provided  
22 by the city at Western State Hospital and adjacent areas. Of the  
23 remaining \$255,000 per year, the department shall reimburse the  
24 affected jurisdictions for their documented costs that have been  
25 negotiated in an interagency agreement between the department and each  
26 jurisdiction, as follows:

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

29 (ii) Up to \$45,000 per year shall be provided to affected  
30 jurisdictions other than Pierce county for the costs of training their  
31 law enforcement and administrative personnel as defined in RCW  
32 71.09.344(2)(a).

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

36 (b) \$4,000 of the general fund--state appropriation for fiscal year  
37 2004 and \$354,000 of the general fund--state appropriation for fiscal  
38 year 2005 are provided solely for mitigation costs associated with the

1 development and occupancy of the secure community transition facility  
 2 in Seattle, as described in the settlement agreement dated February 3,  
 3 2004, between the department and the city of Seattle. If *City of*  
 4 *Seattle v. DSHS*, King County Superior Court Cause No. 03-2-37882-SEA is  
 5 not dismissed with prejudice by July 1, 2004, this appropriation shall  
 6 lapse. If the proceeding requested by the city under RCW 71.09.342(5)  
 7 is not withdrawn or dismissed with prejudice by July 1, 2004, this  
 8 appropriation shall lapse.

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

13 (4) SPECIAL PROJECTS  
 14 General Fund--Federal Appropriation . . . . . \$2,082,000

15 (5) PROGRAM SUPPORT  
 16 General Fund--State Appropriation (FY 2004) . . . . . \$3,124,000  
 17 General Fund--State Appropriation (FY 2005) . . . . . (~~(\$3,208,000)~~)  
 18 \$3,485,000  
 19 General Fund--Federal Appropriation . . . . . (~~(\$5,918,000)~~)  
 20 \$5,539,000  
 21 TOTAL APPROPRIATION . . . . . (~~(\$12,250,000)~~)  
 22 \$12,722,000

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

25 (a) \$113,000 of the general fund--state appropriation for fiscal  
 26 year 2004, \$125,000 of the general fund--state appropriation for fiscal  
 27 year 2005, and \$164,000 of the general fund--federal appropriation are  
 28 provided solely for the institute for public policy to evaluate the  
 29 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter  
 30 297, Laws of 1998 (commitment of mentally ill persons), and chapter  
 31 334, Laws of 2001 (mental health performance audit).

32 (b) \$50,000 of the general fund--state appropriation for fiscal  
 33 year 2004 and \$50,000 of the general fund--federal appropriation are  
 34 provided solely for a study of the prevalence of mental illness among  
 35 the state's regional support networks. The study shall examine how  
 36 reasonable estimates of the prevalence of mental illness relate to the  
 37 incidence of persons enrolled in medical assistance programs in each

1 regional support network area. In conducting this study, the  
2 department shall consult with the joint legislative audit and review  
3 committee, regional support networks, community mental health  
4 providers, and mental health consumer representatives. The department  
5 shall submit a final report on its findings to the fiscal, health care,  
6 and human services committees of the legislature by November 1, 2003.

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

16 **Sec. 205.** 2004 c 276 s 205 (uncodified) is amended to read as  
17 follows:

18 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**  
19 **DISABILITIES PROGRAM**

20 (1) COMMUNITY SERVICES

21	General Fund--State Appropriation (FY 2004) . . . . .	\$250,633,000
22	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$274,414,000)</del>
23		<u>\$271,369,000</u>
24	General Fund--Federal Appropriation . . . . .	<del>(\$453,434,000)</del>
25		<u>\$449,765,000</u>
26	Health Services Account--State	
27	Appropriation . . . . .	\$971,000
28	TOTAL APPROPRIATION . . . . .	<del>(\$979,452,000)</del>
29		<u>\$972,738,000</u>

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

32 (a) Any new funding for family support and high school transition  
33 along with a portion of existing funding for these programs shall be  
34 provided as supplemental security income (SSI) state supplemental  
35 payments for persons with developmental disabilities in families with  
36 taxable incomes at or below 150 percent of median family income.

1 Individuals receiving family support or high school transition payments  
2 shall not become eligible for medical assistance under RCW 74.09.510  
3 due solely to the receipt of SSI state supplemental payments.

4 (b) The health services account appropriation and \$971,000 of the  
5 general fund--federal appropriation are provided solely for health care  
6 benefits for home care workers with family incomes below 200 percent of  
7 the federal poverty level who are employed through state contracts for  
8 twenty hours per week or more.

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

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

22 (c) \$562,000 of the general fund--state appropriation for fiscal  
23 year 2004, \$1,767,000 of the general fund--state appropriation for  
24 fiscal year 2005, and \$2,266,000 of the general fund--federal  
25 appropriation are provided solely for community residential and support  
26 services. Funding in this subsection shall be prioritized for (i)  
27 residents of residential habilitation centers who are able to be  
28 adequately cared for in community settings and who choose to live in  
29 those community settings; (ii) clients without residential services who  
30 are at immediate risk of institutionalization or in crisis; (iii)  
31 children who are aging out of other state services; and (iv) current  
32 home and community-based waiver program clients who have been assessed  
33 as having an immediate need for increased services. The department  
34 shall ensure that the average cost per day for all program services  
35 other than start-up costs shall not exceed \$300. In order to maximize  
36 the number of clients served and ensure the cost-effectiveness of the  
37 waiver programs, the department will strive to limit new client  
38 placement expenditures to 90 percent of the budgeted daily rate. If

1 this can be accomplished, additional clients may be served with excess  
2 funds provided the total projected carry-forward expenditures do not  
3 exceed the amounts estimated. The department shall implement the four  
4 new waiver programs such that decisions about enrollment levels and the  
5 amount, duration, and scope of services maintain expenditures within  
6 appropriations. The department shall electronically report to the  
7 appropriate committees of the legislature, within 45 days following  
8 each fiscal year quarter, the number of residents moving into community  
9 settings and the actual expenditures for all community services to  
10 support those residents.

11 (d) \$563,000 of the general fund--state appropriation for fiscal  
12 year 2004, \$1,390,000 of the general fund--state appropriation for  
13 fiscal year 2005, and \$1,905,000 of the general fund--federal  
14 appropriation are provided solely for expanded community services for  
15 persons with developmental disabilities who also have community  
16 protection issues. Funding in this subsection shall be prioritized for  
17 (i) clients being diverted or discharged from the state psychiatric  
18 hospitals; (ii) clients participating in the dangerous mentally ill  
19 offender program; (iii) clients participating in the community  
20 protection program; and (iv) mental health crisis diversion  
21 outplacements. The department shall ensure that the average cost per  
22 day for all program services other than start-up costs shall not exceed  
23 \$300. In order to maximize the number of clients served and ensure the  
24 cost-effectiveness of the waiver programs, the department will strive  
25 to limit new client placement expenditures to 90 percent of the  
26 budgeted daily rate. If this can be accomplished, additional clients  
27 may be served with excess funds provided the total projected carry-  
28 forward expenditures do not exceed the amounts estimated. The  
29 department shall implement the four new waiver programs such that  
30 decisions about enrollment levels and the amount, duration, and scope  
31 of services maintain expenditures within appropriations. The  
32 department shall electronically report to the appropriate committees of  
33 the legislature, within 45 days following each fiscal year quarter, the  
34 number of persons served with these additional community services,  
35 where they were residing, what kinds of services they were receiving  
36 prior to placement, and the actual expenditures for all community  
37 services to support these clients.

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

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

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

29 (h) \$213,000 of the general fund--state appropriation for fiscal  
30 year 2004, \$289,000 of the general fund--state appropriation for fiscal  
31 year 2005, and \$500,000 of the general fund--federal appropriation are  
32 provided solely to increase payments to agency home care providers from  
33 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The  
34 amounts in this subsection shall be used to increase compensation for  
35 direct care workers by 75 cents per hour. The amounts in this  
36 subsection also include the funds needed for the employer share of  
37 unemployment and social security taxes on the amount of the increase.

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

12 (j) \$312,000 of the general fund--state appropriation for fiscal  
 13 year 2005 and \$290,000 of the general fund--federal appropriation are  
 14 provided solely to increase payments to agency home care providers from  
 15 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The  
 16 amounts in this subsection shall be used to increase compensation for  
 17 direct care workers by 50 cents per hour. The amounts in this  
 18 subsection also include the funds needed for the employer share of  
 19 unemployment and social security taxes on the amount of the increase.

20 (2) INSTITUTIONAL SERVICES

21	General Fund--State Appropriation (FY 2004) . . . . .	\$67,708,000
22	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$70,794,000)</del>
23		<u>\$70,958,000</u>
24	General Fund--Federal Appropriation . . . . .	<del>(\$148,998,000)</del>
25		<u>\$149,161,000</u>
26	General Fund--Private/Local Appropriation . . . . .	\$11,228,000
27	TOTAL APPROPRIATION . . . . .	<del>(\$298,728,000)</del>
28		<u>\$299,055,000</u>

29 The appropriations in this subsection are subject to the following  
 30 conditions and limitations: The department may transfer funding  
 31 provided in this subsection to meet the purposes of subsection (1) of  
 32 this section to the extent that more residents of residential  
 33 habilitation centers choose to move to community placements than was  
 34 assumed in this appropriation.

35 (3) PROGRAM SUPPORT

36	General Fund--State Appropriation (FY 2004) . . . . .	\$2,474,000
37	General Fund--State Appropriation (FY 2005) . . . . .	\$3,208,000

1 General Fund--Federal Appropriation . . . . . \$4,209,000  
 2 Telecommunications Devices for the Hearing and  
 3 Speech Impaired Account Appropriation . . . . . \$891,000  
 4 TOTAL APPROPRIATION . . . . . \$10,782,000

5 The appropriation in this subsection is subject to the following  
 6 conditions and limitations: \$245,000 of the general fund--state  
 7 appropriation for fiscal year 2004, \$996,000 of the general fund--state  
 8 appropriation for fiscal year 2005, and \$1,258,000 of the general  
 9 fund--federal appropriation are provided solely for the purpose of  
 10 developing and implementing a consistent needs assessment instrument  
 11 for use on all clients with developmental disabilities. In developing  
 12 the instrument, the department shall develop a process for collecting  
 13 data on family income for minor children with developmental  
 14 disabilities who are clients of the department and shall ensure that  
 15 this information is captured as part of the client assessment process.

16 (4) SPECIAL PROJECTS

17 General Fund--Federal Appropriation . . . . . \$13,604,000

18 **Sec. 206.** 2004 c 276 s 206 (uncodified) is amended to read as  
 19 follows:

20 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**  
 21 **SERVICES PROGRAM**

22 General Fund--State Appropriation (FY 2004) . . . . . \$523,896,000  
 23 General Fund--State Appropriation (FY 2005) . . . . . (~~(\$578,270,000)~~)  
 24 \$564,005,000  
 25 General Fund--Federal Appropriation . . . . . (~~(\$1,187,250,000)~~)  
 26 \$1,175,553,000  
 27 General Fund--Private/Local Appropriation . . . . . \$18,644,000  
 28 Health Services Account--State  
 29 Appropriation . . . . . \$4,888,000  
 30 TOTAL APPROPRIATION . . . . . (~~(\$2,312,948,000)~~)  
 31 \$2,286,986,000

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

34 (1) The entire health services account appropriation, \$1,476,000 of  
 35 the general fund--state appropriation for fiscal year 2004,  
 36 (~~(\$1,043,000)~~) \$3,838,000 of the general fund--state appropriation for

1 fiscal year 2005, and (~~(\$6,851,000)~~) \$9,924,000 of the general fund--  
2 federal appropriation are provided solely for health care benefits for  
3 home care workers who are employed through state contracts for at least  
4 twenty hours per week.

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

8 (b) Home care agencies may obtain coverage either through the basic  
9 health plan or through an alternative plan with substantially  
10 equivalent benefits. Premium payments made to home care agencies shall  
11 be limited to home care workers who are employed at least twenty hours  
12 per week to serve state-funded clients. It is the intent of the  
13 legislature to fund the purchase of health care benefits for agency  
14 home care providers in a more fiscally prudent manner. The legislature  
15 encourages agency providers to purchase more cost-effective health care  
16 benefits, including increasing participation in the basic health plan  
17 or purchasing substantially equivalent benefits with substantially  
18 equivalent costs.

19 (2) \$1,768,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$1,768,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for operation of the volunteer  
22 chore services program.

23 (3) For purposes of implementing chapter 74.46 RCW, the weighted  
24 average nursing facility payment rate shall be no more than \$142.04 for  
25 fiscal year 2004, and no more than \$148.11 for fiscal year 2005. For  
26 all facilities, the direct care, therapy care, support services, and  
27 operations component rates established in accordance with chapter 74.46  
28 RCW shall be adjusted for economic trends and conditions by 3.0 percent  
29 effective July 1, 2003, and by an additional 2.4 percent effective July  
30 1, 2004.

31 (4) In accordance with chapter 74.46 RCW, the department shall  
32 issue certificates of capital authorization that result in up to \$32  
33 million of increased asset value completed and ready for occupancy in  
34 fiscal year 2004; up to \$32 million of increased asset value completed  
35 and ready for occupancy in fiscal year 2005; and up to \$32 million of  
36 increased asset value completed and ready for occupancy in fiscal year  
37 2006.

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

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

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

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

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

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

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

26 (7) \$118,000 of the general fund--state appropriation for fiscal  
27 year 2004, \$118,000 of the general fund--state appropriation for fiscal  
28 year 2005, and \$236,000 of the general fund--federal appropriation are  
29 provided solely for the department to assess at least annually each  
30 elderly resident residing in residential habilitation centers and  
31 state-operated living alternatives to determine if the resident can be  
32 more appropriately served in a less restrictive setting.

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

37 (b) In assessing an elderly resident under this section and to

1 ensure appropriate placement, the department shall identify the special  
2 needs of the resident, the types of services that will best meet those  
3 needs, and the type of facility that will best provide those services.

4 (c) The appropriate interdisciplinary team shall conduct the  
5 evaluation.

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

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

10 (8) Within funds appropriated in this section, the department may  
11 expand the number of boarding home beds participating in the dementia  
12 pilot project by up to 200. These additional beds shall provide  
13 persons with Alzheimer's disease or related dementias who might  
14 otherwise require nursing home care accommodation in licensed boarding  
15 home facilities that specialize in caring for such conditions.

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

22 (10) \$6,418,000 of the general fund--state appropriation for fiscal  
23 year 2004, \$8,620,000 of the general fund--state appropriation for  
24 fiscal year 2005, and \$15,038,000 of the general fund--federal  
25 appropriation are provided solely for the purpose of providing a wage  
26 increase effective October 1, 2003, for individual home care workers  
27 providing state-funded services. The amounts in this subsection also  
28 include the funds needed for the employer share of unemployment and  
29 social security taxes on the amount of the increase.

30 (11) \$2,294,000 of the general fund--state appropriation for fiscal  
31 year 2004, \$3,266,000 of the general fund--state appropriation for  
32 fiscal year 2005, and \$5,560,000 of the general fund--federal  
33 appropriation are provided solely to increase payments to agency home  
34 care providers from \$13.44 per hour to \$14.27 per hour effective  
35 October 1, 2003. The amounts in this subsection shall be used to  
36 increase compensation for direct care workers by 75 cents per hour.  
37 The amounts in this subsection also include the funds needed for the

1 employer share of unemployment and social security taxes on the amount  
2 of the increase.

3 (12) \$1,952,000 of the general fund--state appropriation for fiscal  
4 year 2005 and \$1,941,000 of the general fund--federal appropriation are  
5 provided solely to increase payments to agency home care providers from  
6 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The  
7 amounts in this subsection shall be used to increase compensation for  
8 direct care workers by 50 cents per hour. The amounts in this  
9 subsection also include the funds needed for the employer share of  
10 unemployment and social security taxes on the amount of the increase.

11 (13) \$500,000 of the general fund--state appropriation for fiscal  
12 year 2005 is provided solely for area agencies on aging, or entities  
13 with which area agencies on aging contract, to provide support services  
14 for grandparents and other formal and informal kinship caregivers of  
15 children throughout the state.

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

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

23 (c) In carrying out the kinship caregivers support program, each  
24 area agency on aging shall coordinate the activities of the agency, or  
25 entities with which the agency contracts, with the activities of other  
26 public and private agencies or organizations providing similar services  
27 for kinship caregivers.

28 **Sec. 207.** 2004 c 276 s 207 (uncodified) is amended to read as  
29 follows:

30 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**  
31 **PROGRAM**

32	General Fund--State Appropriation (FY 2004) . . . . .	\$445,968,000
33	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$437,720,000</del> ))
34		<u>\$452,695,000</u>
35	General Fund--Federal Appropriation . . . . .	(( <del>\$1,208,746,000</del> ))
36		<u>\$1,216,706,000</u>
37	General Fund--Private/Local Appropriation . . . . .	(( <del>\$33,891,000</del> ))

1 \$32,673,000  
2 TOTAL APPROPRIATION . . . . . ((~~\$2,126,325,000~~))  
3 \$2,148,042,000

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

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

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

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

26 (2) \$57,547,000 of the general fund--state appropriation for fiscal  
27 year 2004 and ((~~\$59,953,000~~)) \$73,424,357 of the general fund--state  
28 appropriation for fiscal year 2005 are provided solely for cash  
29 assistance and other services to recipients in the general assistance--  
30 unemployable program. Within these amounts, the department may expend  
31 funds for services that assist recipients to reduce their dependence on  
32 public assistance, provided that expenditures for these services and  
33 cash assistance do not exceed the funds provided.

34 (3) \$936,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$936,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided for the department to assist in  
37 naturalization efforts for legal aliens whose eligibility for federal

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

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

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

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

20 (7) \$1,250,000 of the general fund--state appropriation for fiscal  
21 year 2005 is provided solely for the department to maintain specialized  
22 employment services through the WorkFirst/LEP pathway program for  
23 refugees and other limited-English-proficient (LEP) families and  
24 individuals that receive temporary assistance for needy families, state  
25 family assistance, or refugee cash assistance benefits. These  
26 employment services include but are not limited to English as a second  
27 language (ESL), job placement assistance, and work support services.

28 (8) \$96,000 of the general fund--state appropriation for fiscal  
29 year 2005, \$16,000 of the general fund--federal appropriation, and  
30 \$11,000 of the general fund--local appropriation are provided solely  
31 for the implementation of Engrossed Senate Bill No. 6411 (reducing  
32 hunger), including section 2 of the act. If the bill is not enacted by  
33 June 30, 2004, the amounts provided in this section shall lapse.

34 (9) \$500,000 of the general fund--state appropriation for fiscal  
35 year 2005 is provided solely for a subsidy rate increase for child care  
36 providers in urban areas of region 1.



1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**  
2 **PROGRAM**

3	General Fund--State Appropriation (FY 2004) . . . . .	\$1,119,073,000
4	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$1,248,580,000</del> ))
5		<u>\$1,331,727,000</u>
6	General Fund--Federal Appropriation . . . . .	(( <del>\$3,892,248,000</del> ))
7		<u>\$3,892,387,000</u>
8	General Fund--Private/Local Appropriation . . . . .	(( <del>\$278,296,000</del> ))
9		<u>\$289,940,000</u>
10	Emergency Medical Services and Trauma Care Systems	
11	Trust Account--State Appropriation . . . . .	\$14,004,000
12	Health Services Account--State Appropriation . . . . .	(( <del>\$708,854,000</del> ))
13		<u>\$672,947,000</u>
14	TOTAL APPROPRIATION . . . . .	(( <del>\$7,261,055,000</del> ))
15		<u>\$7,320,078,000</u>

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

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

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

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

31 (4) \$493,000 of the health services account appropriation for  
32 fiscal year 2004, ((~~\$748,000~~)) \$4,054,000 of the health services  
33 account appropriation for fiscal year 2005, and ((~~\$1,241,000~~))  
34 \$5,041,000 of the general fund--federal appropriation are provided  
35 solely for implementation of a "ticket to work" medicaid buy-in program  
36 for working persons with disabilities, operated in accordance with the  
37 following conditions:

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

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

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

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

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

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

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

27 (8) In accordance with RCW 74.46.625, \$35,953,000 of the fiscal  
28 year 2004 health services account appropriation, \$20,577,000 of the  
29 fiscal year 2005 health services account appropriation, and \$61,037,000  
30 of the general fund--federal appropriation are provided solely for  
31 supplemental payments to nursing homes operated by rural public  
32 hospital districts. The payments shall be conditioned upon (a) a  
33 contractual commitment by the association of public hospital districts  
34 and participating rural public hospital districts to make an  
35 intergovernmental transfer to the state treasurer, for deposit into the  
36 health services account, equal to at least 91.9 percent of the  
37 supplemental payments; (b) a contractual commitment by the association  
38 of public hospital districts to return at least 8.1 percent of the

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

10 (9) \$12,318,000 of the health services account appropriation for  
11 fiscal year 2004, \$10,738,000 of the health services account  
12 appropriation for fiscal year 2005, and \$23,056,000 of the general  
13 fund--federal appropriation are provided solely for additional  
14 disproportionate share and medicare upper payment limit payments to  
15 public hospital districts and to the state's teaching hospitals. The  
16 payments shall be conditioned upon a contractual commitment by the  
17 participating public hospitals to make an intergovernmental transfer to  
18 the health services account equal to at least 91 percent of the  
19 additional payments. The state's teaching hospitals shall retain at  
20 least 28 percent of the amounts retained by hospitals under these  
21 programs, or the maximum allowable under the teaching hospitals' limits  
22 as established under federal rule, whichever is less.

23 (10) \$3,178,000 of the health services account appropriation,  
24 \$4,208,000 of the general fund--local appropriation, and \$7,308,000 of  
25 the general fund--federal appropriation are provided solely for grants  
26 to rural hospitals. The department shall distribute the funds under a  
27 formula that provides a relatively larger share of the available  
28 funding to hospitals that (a) serve a disproportionate share of low-  
29 income and medically indigent patients and (b) have relatively smaller  
30 net financial margins, to the extent allowed by the federal medicaid  
31 program.

32 (11) \$36,002,000 of the health services account appropriation and  
33 \$26,080,000 of the general fund--federal appropriation are provided  
34 solely for grants to nonrural hospitals. The department shall  
35 distribute the funds under a formula that provides a relatively larger  
36 share of the available funding to hospitals that (a) serve a  
37 disproportionate share of low-income and medically indigent patients

1 and (b) have relatively smaller net financial margins, to the extent  
2 allowed by the federal medicaid program.

3 (12) \$302,000 of the general fund--state appropriation for fiscal  
4 year 2004, (~~(\$1,671,000)~~) \$1,969,000 of the general fund--state  
5 appropriation for fiscal year 2005, and (~~(\$17,757,000)~~) \$19,921,000 of  
6 the general fund--federal appropriation are provided solely for  
7 development and implementation of a replacement system for the existing  
8 medicaid management information system. The medicaid management  
9 information system replacement project shall comply with section 902,  
10 chapter 25, Laws of 2003 1st sp. sess.

11 (13) The department shall implement a combination of cost  
12 containment and utilization strategies sufficient to reduce general  
13 fund--state costs for durable medical equipment and supplies in fiscal  
14 year 2005 by approximately 5 percent below the level projected for  
15 fiscal year 2005 in the February 2003 forecast. In designing  
16 strategies, the primary strategy considered shall be selective or  
17 direct contracting with durable medical equipment and supplies vendors  
18 or manufacturers.

19 (14) The department shall, within available resources, design and  
20 implement a medical care services care management pilot project for  
21 clients receiving general assistance benefits. The pilot project shall  
22 be operated in at least two of the counties with the highest  
23 concentration of general assistance clients, and may use a full or  
24 partial capitation model. In designing the project, the department  
25 shall consult with the mental health division and its managed care  
26 contractors that include community and migrant health centers in their  
27 provider network. The pilot project shall be designed to maximize care  
28 coordination, high-risk medical management, and chronic care management  
29 to achieve better health outcomes. The pilot project shall begin  
30 enrollment on July 1, 2004.

31 (15) Within available resources and to the extent possible, the  
32 department shall evaluate and pilot a nurse consultant services program  
33 to assist fee-for-service clients in accessing medical information,  
34 with the goal of reducing administrative burdens on physicians and  
35 unnecessary emergency room utilization.

36 (16) The department shall include in any pending medicaid reform  
37 section 1115 waiver application, or in any existing section 1115  
38 waiver, a request for authorization to provide optional medicaid

1 services that have been eliminated in this act to American Indian and  
2 Alaska Native persons as defined in relevant federal law who are  
3 eligible for medicaid only to the extent that such services are  
4 provided through the American Indian health system and are financed  
5 with one hundred percent federal medicaid matching funds.

6 (17) The department shall establish managed care rates within  
7 available funds, in a manner that promotes health plan efficiency,  
8 encourages continuity of service, and assures access in underserved  
9 areas.

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

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

22 ~~(20) ((For purposes of RCW 74.09.800(2), \$8,017,000 of the general~~  
23 ~~fund state appropriation for fiscal year 2004, \$8,454,000 of the~~  
24 ~~general fund state appropriation for fiscal year 2005, and \$30,588,000~~  
25 ~~of the general fund federal appropriation are provided solely to~~  
26 ~~provide prenatal care services to low income women who are not eligible~~  
27 ~~to receive such services under the medical assistance program, Title~~  
28 ~~XIX of the federal social security act. If the department is unable to~~  
29 ~~secure federal matching funds under Title XXI of the social security~~  
30 ~~act, the department shall take all actions necessary to manage the~~  
31 ~~program within these appropriated levels.~~

32 ~~(21))~~) \$13,588,000 of the health services account appropriation for  
33 fiscal year 2004, \$11,008,000 of the health services account  
34 appropriation for fiscal year 2005, and \$24,595,000 of the general  
35 fund--federal appropriation are provided solely for additional  
36 disproportionate share hospital payments to public hospital districts.  
37 The payments shall be conditioned upon a contractual commitment by the  
38 participating hospital districts to make an intergovernmental transfer

1 to the health services account equal to at least 86.5 percent of the  
2 additional disproportionate share payment. The participating districts  
3 shall retain no more than \$6,607,000 of the total additional amount  
4 paid.

5 ~~((22) \$10,000,000))~~ (21) \$20,000,000 of the general fund--federal  
6 and (~~(\$10,000,000)~~) \$20,000,000 of the general fund--local funds are  
7 provided solely to increase payments in the inpatient upper payment  
8 limit program for the state's teaching hospitals. Payments shall be  
9 made to the extent allowable under federal medicaid rule and law. The  
10 department shall work with the teaching hospitals to identify allowable  
11 sources of funding for the required match and to assure that the  
12 teaching hospitals are responsible for repayment of any disallowed  
13 federal matching funds.

14 **Sec. 210.** 2004 c 276 s 211 (uncodified) is amended to read as  
15 follows:

16 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**  
17 **SUPPORTING SERVICES PROGRAM**

18	General Fund--State Appropriation (FY 2004) . . . . .	\$37,620,000
19	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$29,382,000)</del>
20		<u>\$29,417,000</u>
21	General Fund--Federal Appropriation . . . . .	<del>(\$52,580,000)</del>
22		<u>\$52,599,000</u>
23	General Fund--Private/Local Appropriation . . . . .	\$810,000
24	Public Safety and Education Account--State	
25	Appropriation . . . . .	\$2,444,000
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation . . . . .	\$4,152,000
28	TOTAL APPROPRIATION . . . . .	<del>(\$126,988,000)</del>
29		<u>\$127,042,000</u>

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

32 (1) \$467,000 of the general fund--state appropriation for fiscal  
33 year 2004, \$769,000 of the general fund--state appropriation for fiscal  
34 year 2005, and \$1,236,000 of the general fund--federal appropriation  
35 are provided solely for transition costs associated with the downsizing  
36 effort at Fircrest school. The department shall organize the  
37 downsizing effort so as to minimize disruption to clients, employees,

1 and the developmental disabilities program. The employees responsible  
2 for the downsizing effort shall report to the assistant secretary of  
3 the aging and disability services administration. Within the funds  
4 provided in this subsection, the department shall:

5 (a) Determine appropriate ways to maximize federal reimbursement  
6 during the downsizing process;

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

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

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

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

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

31 (3) \$100,000 of the general fund--state appropriation for fiscal  
32 year 2004 and \$100,000 of the general fund--state appropriation for  
33 fiscal year 2005 are provided solely for a contract for expanded  
34 services of the teamchild project.

35 (4) \$900,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$900,000 of the general fund--state appropriation for  
37 fiscal year 2005 are provided solely for the continued implementation

1 of the juvenile violence prevention grant program established in  
2 section 204, chapter 309, Laws of 1999.

3 **Sec. 211.** 2004 c 276 s 212 (uncodified) is amended to read as  
4 follows:

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

7	General Fund--State Appropriation (FY 2004) . . . . .	\$43,454,000
8	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$43,493,000)</del>
9		<u>\$45,175,000</u>
10	General Fund--Federal Appropriation . . . . .	<del>(\$43,321,000)</del>
11		<u>\$43,981,000</u>
12	TOTAL APPROPRIATION . . . . .	<del>(\$130,268,000)</del>
13		<u>\$132,610,000</u>

14 **Sec. 212.** 2004 c 276 s 213 (uncodified) is amended to read as  
15 follows:

16 **FOR THE STATE HEALTH CARE AUTHORITY**

17	State Health Care Authority Administrative	
18	Account--State Appropriation . . . . .	<del>(\$18,942,000)</del>
19		<u>\$19,570,000</u>
20	Health Services Account--State Appropriation . . . . .	<del>(\$417,890,000)</del>
21		<u>\$417,333,000</u>
22	General Fund--Federal Appropriation . . . . .	<del>(\$3,875,000)</del>
23		<u>\$3,804,000</u>
24	Medical Aid Account--State Appropriation . . . . .	\$213,000
25	TOTAL APPROPRIATION . . . . .	\$440,920,000

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

28 (1) \$2,500,000 of the health services account--state appropriation  
29 is provided solely to increase funding for health care services  
30 provided through local community clinics.

31 (2) The health services account--state appropriation contains  
32 funding to provide dental care at community clinics for persons who are  
33 not current medicaid recipients, and for interpreter services to  
34 support dental and medical services for persons for whom interpreters  
35 are not available from any other source.

1 (3) \$50,000 of the health services account--state appropriation is  
2 provided solely to support the operation of an innovative clinic model  
3 for the delivery of health services to uninsured or publicly insured  
4 persons that is located in an urban underserved area and operated as a  
5 department or subsidiary of a hospital located in that underserved  
6 area; has been in operation for fewer than six months as of the  
7 effective date of this act; utilizes an innovative service delivery  
8 model that relies upon midlevel practitioners, volunteers, and students  
9 enrolled in health education programs and offers group visits for  
10 common conditions; and has a sliding fee schedule that assumes that  
11 every patient of the clinic will make some contribution towards the  
12 cost of his or her care.

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

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

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

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

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

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

29 (b) Improve the capacity for electronic billing and claims  
30 submission and provide electronic access to eligibility, benefits, and  
31 exclusion information;

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

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

37 (e) Take steps to implement cost-effective measures pursuant to  
38 this section by December 2004, and on or before December 1, 2003,

1 provide a progress report to the relevant policy and fiscal committees  
2 of the legislature on the feasibility of implementation and any fiscal  
3 constraints or regulatory or statutory barriers.

4 **Sec. 213.** 2004 c 276 s 214 (uncodified) is amended to read as  
5 follows:

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

7	General Fund--State Appropriation (FY 2004) . . . . .	\$5,863,000
8	General Fund--State Appropriation (FY 2005) . . . . .	\$6,145,000
9	Public Safety and Education Account--State	
10	Appropriation . . . . .	<del>(\$22,391,000)</del>
11		<u>\$25,165,000</u>
12	Public Safety and Education Account--Federal	
13	Appropriation . . . . .	\$8,462,000
14	Asbestos Account--State Appropriation . . . . .	\$717,000
15	Electrical License Account--State	
16	Appropriation . . . . .	\$29,589,000
17	Farm Labor Revolving Account--Private/Local	
18	Appropriation . . . . .	\$28,000
19	Worker and Community Right-to-Know Account--State	
20	Appropriation . . . . .	\$2,557,000
21	Public Works Administration Account--State	
22	Appropriation . . . . .	\$2,477,000
23	Accident Account--State Appropriation . . . . .	\$188,181,000
24	Accident Account--Federal Appropriation . . . . .	\$13,396,000
25	Medical Aid Account--State Appropriation . . . . .	\$186,408,000
26	Medical Aid Account--Federal Appropriation . . . . .	\$2,960,000
27	Plumbing Certificate Account--State	
28	Appropriation . . . . .	\$1,490,000
29	Pressure Systems Safety Account--State	
30	Appropriation . . . . .	\$2,878,000
31	TOTAL APPROPRIATION . . . . .	<del>(\$473,542,000)</del>
32		<u>\$476,316,000</u>

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

35 (1) \$90,000 of the electrical license account--state appropriation  
36 and \$206,000 of the plumbing certificate account--state appropriation

1 are provided solely to implement Engrossed Substitute Senate Bill No.  
2 5713 (electrical contractors). If the bill is not enacted by June 30,  
3 2003, the amounts provided in this subsection shall lapse.

4 (2) \$578,000 of the accident account--state appropriation is  
5 provided solely for the purpose of contracting with medical  
6 laboratories, health care providers, and other appropriate entities to  
7 provide cholinesterase medical monitoring of farm workers who handle  
8 cholinesterase-inhibiting pesticides, and to collect and analyze data  
9 related to such monitoring.

10 (3) \$453,000 of the accident account--state appropriation is  
11 provided solely for the purpose of reimbursing agricultural employers  
12 for the costs of training, record-keeping, and travel related to  
13 cholinesterase medical monitoring of farm workers who handle  
14 cholinesterase-inhibiting pesticides.

15 (4) The department shall report to the office of financial  
16 management and the appropriate fiscal and policy committees of the  
17 legislature detailed information regarding administrative staffing  
18 levels and services by October 1, 2004, and prior to implementing phase  
19 II of the indirect cost study.

20 (5) \$399,000 of the accident account--state appropriation and  
21 \$399,000 of the medical aid account--state appropriation are provided  
22 solely for the expansion of workers' compensation fraud investigation  
23 activities. The department shall report quarterly to the office of  
24 financial management and the appropriate policy and fiscal committees  
25 of the legislature regarding the cost effectiveness of fraud  
26 activities, including the total dollars expended compared to total  
27 dollars recovered.

28 **Sec. 214.** 2004 c 276 s 215 (uncodified) is amended to read as  
29 follows:

30 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

31 (1) HEADQUARTERS

32 General Fund--State Appropriation (FY 2004) . . . . . \$1,531,000  
33 General Fund--State Appropriation (FY 2005) . . . . . (~~(\$1,536,000)~~)  
34 \$1,537,000

35 Charitable, Educational, Penal, and Reformatory

36 Institutions Account--State

37 Appropriation . . . . . \$11,000

1	TOTAL APPROPRIATION . . . . .	(( <del>\$3,078,000</del> ))
2		<u>\$3,079,000</u>
3	(2) FIELD SERVICES	
4	General Fund--State Appropriation (FY 2004) . . . . .	\$2,588,000
5	General Fund--State Appropriation (FY 2005) . . . . .	\$2,596,000
6	General Fund--Federal Appropriation . . . . .	\$309,000
7	General Fund--Private/Local Appropriation . . . . .	\$1,668,000
8	TOTAL APPROPRIATION . . . . .	\$7,161,000
9	(3) INSTITUTIONAL SERVICES	
10	General Fund--State Appropriation (FY 2004) . . . . .	\$7,380,000
11	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$6,020,000</del> ))
12		<u>\$6,135,000</u>
13	General Fund--Federal Appropriation . . . . .	(( <del>\$27,365,000</del> ))
14		<u>\$28,952,000</u>
15	General Fund--Private/Local Appropriation . . . . .	(( <del>\$27,822,000</del> ))
16		<u>\$26,388,000</u>
17	TOTAL APPROPRIATION . . . . .	(( <del>\$68,587,000</del> ))
18		<u>\$68,855,000</u>

19 **Sec. 215.** 2004 c 276 s 217 (uncodified) is amended to read as  
20 follows:

21 **FOR THE DEPARTMENT OF HEALTH**

22	General Fund--State Appropriation (FY 2004) . . . . .	\$57,853,000
23	General Fund--State Appropriation (FY 2005) . . . . .	\$60,346,000
24	Health Services Account--State Appropriation . . . . .	\$36,989,000
25	General Fund--Federal Appropriation . . . . .	(( <del>\$392,762,000</del> ))
26		<u>\$398,095,000</u>
27	General Fund--Private/Local Appropriation . . . . .	(( <del>\$93,601,000</del> ))
28		<u>\$100,612,000</u>
29	Hospital Commission Account--State	
30	Appropriation . . . . .	\$2,490,000
31	Health Professions Account--State	
32	Appropriation . . . . .	\$40,285,000
33	Emergency Medical Services and Trauma Care Systems	
34	Trust Account--State Appropriation . . . . .	\$12,558,000
35	Safe Drinking Water Account--State	
36	Appropriation . . . . .	\$2,728,000
37	Drinking Water Assistance Account--Federal	

1	Appropriation . . . . .	\$15,654,000
2	Waterworks Operator Certification--State	
3	Appropriation . . . . .	\$1,053,000
4	Drinking Water Assistance Administrative Account--	
5	State Appropriation . . . . .	\$326,000
6	Water Quality Account--State Appropriation . . . . .	\$3,359,000
7	Accident Account--State Appropriation . . . . .	\$258,000
8	Medical Aid Account--State Appropriation . . . . .	\$46,000
9	State Toxics Control Account--State	
10	Appropriation . . . . .	\$2,761,000
11	Medical Test Site Licensure Account--State	
12	Appropriation . . . . .	\$1,718,000
13	Youth Tobacco Prevention Account--State	
14	Appropriation . . . . .	\$1,806,000
15	Tobacco Prevention and Control Account--State	
16	Appropriation . . . . .	\$52,510,000
17	TOTAL APPROPRIATION . . . . .	(( <del>\$779,103,000</del> ))
18		<u>\$791,447,000</u>

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

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

29 (2) \$1,337,000 of the general fund--state fiscal year 2004  
30 appropriation and \$1,338,000 of the general fund--state fiscal year  
31 2005 appropriation are provided solely for the implementation of the  
32 Puget Sound water work plan and agency action items, DOH-01, DOH-02,  
33 DOH-03, and DOH-04.

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

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

12 (4) \$24,350,000 of the health services account--state appropriation  
13 is provided solely for the state's program of universal access to  
14 essential childhood vaccines. The department shall utilize all  
15 available federal funding before expenditure of these funds.

16 (5) \$2,984,000 of the general fund--local appropriation is provided  
17 solely for development and implementation of an internet-based system  
18 for preparing and retrieving death certificates as provided in  
19 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based  
20 vital records).

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

29 (7) \$92,000 of the general fund--state appropriation for fiscal  
30 year 2004, \$19,000 of the general fund--state appropriation for fiscal  
31 year 2005, and \$987,000 of the general fund--local appropriation are  
32 provided solely for implementation of Substitute House Bill No. 1338  
33 (municipal water rights). If Substitute House Bill No. 1338 is not  
34 enacted by June 30, 2003, the amounts provided in this subsection shall  
35 lapse.

36 (8) \$188,000 of the health professions account--state appropriation  
37 is provided solely to increase the regulation of sales of precursor

1 drugs that are often used to illegally manufacture methamphetamine to  
2 implement Senate Bill No. 6478 (ephedrine). If the bill is not enacted  
3 by June 30, 2004, the amount provided in this subsection shall lapse.

4 (9) \$25,000 of the general fund--state appropriation for fiscal  
5 year 2005 is provided solely to develop and implement best practices in  
6 preventative health care for children. The department and the kids get  
7 care program of public health - Seattle and King county will work in  
8 collaboration with local health care agencies to disseminate strategic  
9 interventions that are focused on evidence-based best practices for  
10 improving health outcomes in children and saving health care costs. A  
11 report shall be provided to the appropriate committees of the  
12 legislature by June 30, 2005, on the program effectiveness and cost  
13 savings. This funding shall be matched by an equal amount of local  
14 funding.

15 (10) \$250,000 of the general fund--state appropriation for fiscal  
16 year 2005 is provided solely for the department to implement a  
17 multiyear pilot project in Yakima county for persons with household  
18 income at or below 200 percent of the federal poverty level who are  
19 ineligible for family planning services through the medicaid program.  
20 Individuals who will be served under the pilot include women who have  
21 never been pregnant, are not currently pregnant, or are beyond the  
22 family planning extension period allowed for first steps program  
23 eligibility. It is anticipated that the pilot project will serve  
24 approximately 1,000 women annually. The department will provide a  
25 preliminary report to the appropriate committees of the legislature by  
26 December 1, 2005.

27 **Sec. 216.** 2004 c 276 s 218 (uncodified) is amended to read as  
28 follows:

29 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the  
30 department of corrections in this act shall be expended for the  
31 programs and in the amounts specified herein. However, after May 1,  
32 2004, after approval by the director of financial management and unless  
33 specifically prohibited by this act, the department may transfer  
34 general fund--state appropriations for fiscal year 2004 between  
35 programs. The director of financial management shall notify the  
36 appropriate fiscal committees of the senate and house of

1 representatives in writing prior to approving any deviations from  
2 appropriation levels.

3 (1) ADMINISTRATION AND SUPPORT SERVICES

4	General Fund--State Appropriation (FY 2004) . . . . .	\$36,534,000
5	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$38,835,000)</del>
6		<u>\$41,746,000</u>
7	Public Safety and Education Account--State	
8	Appropriation . . . . .	\$3,657,000
9	Violence Reduction and Drug Enforcement	
10	Account Appropriation . . . . .	\$26,000
11	TOTAL APPROPRIATION . . . . .	<del>(\$79,052,000)</del>
12		<u>\$81,963,000</u>

13 The appropriations in this subsection are subject to the following  
14 conditions and limitations: \$700,000 of the general fund--state  
15 appropriation for fiscal year 2004 and \$2,550,000 of the general fund--  
16 state appropriation for fiscal year 2005 are provided solely for the  
17 continuation of phase two of the department's offender-based tracking  
18 system replacement project. These amounts are conditioned on the  
19 department satisfying the requirements of section 902 of this act.

20 (2) CORRECTIONAL OPERATIONS

21	General Fund--State Appropriation (FY 2004) . . . . .	\$458,402,000
22	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$477,061,000)</del>
23		<u>\$490,447,000</u>
24	General Fund--Federal Appropriation . . . . .	<del>(\$4,090,000)</del>
25		<u>\$4,507,000</u>
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation . . . . .	\$3,008,000
28	TOTAL APPROPRIATION . . . . .	<del>(\$942,561,000)</del>
29		<u>\$956,364,000</u>

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

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

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

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

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

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

27 (f) \$7,272,000 of the general fund--state appropriation for fiscal  
28 year 2005 is provided solely for the purposes of settling all claims in  
29 Stamey, et. al. v. State of Washington Department of Corrections,  
30 Pierce County Superior Court Cause No. 03-2-06201-1. The expenditure  
31 of this appropriation is contingent on the release of all claims in the  
32 case, and total settlement costs shall not exceed the appropriation in  
33 this subsection (f). If settlement is not executed by June 30, 2005,  
34 the appropriation in this subsection (f) shall lapse.

35 (g) \$810,000 of the general fund--state appropriation for fiscal  
36 year 2005 is provided solely for the purposes of settling all claims in  
37 Arrasmith, et. al. v. State of Washington Department of Corrections,  
38 Pierce County Superior Court Cause No. 04-2-07177-7. The expenditure

1 of this appropriation is contingent on the release of all claims in the  
2 case, and total settlement costs shall not exceed the appropriation in  
3 this subsection (g). If settlement is not executed by June 30, 2005,  
4 the appropriation in this subsection (g) shall lapse.

5 (3) COMMUNITY SUPERVISION

6	General Fund--State Appropriation (FY 2004) . . . . .	\$87,626,000
7	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$88,564,000)</del>
8		<u>\$85,296,000</u>
9	Public Safety and Education	
10	Account--State Appropriation . . . . .	\$15,492,000
11	TOTAL APPROPRIATION . . . . .	<del>(\$191,682,000)</del>
12		<u>\$188,414,000</u>

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

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

20 (b) \$75,000 of the general fund--state appropriation for fiscal  
21 year 2004 and \$75,000 of the general fund--state appropriation for  
22 fiscal year 2005 are provided solely for the department of corrections  
23 to contract with the institute for public policy for responsibilities  
24 assigned in chapter 196, Laws of 1999 (offender accountability act) and  
25 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender  
26 sentencing).

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

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

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

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

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

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

19 (A) The availability of the technology, including a description of  
20 the system used and a discussion of the various types of global  
21 positioning system-based monitoring available and appropriate for a sex  
22 offender population;

23 (B) Any geographic or weather-related limitations posed by the  
24 technology;

25 (C) The reliability, including the false alarm rate of the  
26 technology;

27 (D) Any training requirements for department of corrections staff  
28 or supervised persons;

29 (E) Any distinctions in effectiveness or feasibility for different  
30 supervision populations;

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

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

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

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

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

4 (4) CORRECTIONAL INDUSTRIES

5	General Fund--State Appropriation (FY 2004) . . . . .	\$626,000
6	General Fund--State Appropriation (FY 2005) . . . . .	\$626,000
7	TOTAL APPROPRIATION . . . . .	\$1,252,000

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

17 (5) INTERAGENCY PAYMENTS

18	General Fund--State Appropriation (FY 2004) . . . . .	\$26,259,000
19	General Fund--State Appropriation (FY 2005) . . . . .	\$26,288,000
20	TOTAL APPROPRIATION . . . . .	\$52,547,000

21 The appropriations in this subsection are subject to the following  
22 conditions and limitations: \$70,000 of the general fund--state  
23 appropriation for fiscal year 2005 is provided solely for the  
24 implementation of Engrossed Second Substitute Senate Bill No. 6489  
25 (correctional industries). If the bill is not enacted by June 30,  
26 2004, the amount provided in this subsection shall lapse.

(End of part)

**PART III**  
**NATURAL RESOURCES**

**Sec. 301.** 2004 c 276 s 301 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

General Fund--State Appropriation (FY 2004)	\$35,828,000
General Fund--State Appropriation (FY 2005)	<del>(\$35,911,000)</del>
	<u>\$36,334,000</u>
General Fund--Federal Appropriation	\$57,143,000
General Fund--Private/Local Appropriation	\$3,696,000
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	\$2,760,000
Flood Control Assistance Account--	
State Appropriation	\$2,159,000
State Emergency Water Projects Revolving Account--	
State Appropriation	\$725,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	\$1,858,000
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$593,000
Site Closure Account--State Appropriation	<del>(\$629,000)</del>
	<u>\$653,000</u>
Water Quality Account--State Appropriation	\$25,252,000
Wood Stove Education and Enforcement Account--	
State Appropriation	\$356,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,348,000
State Toxics Control Account--State	
Appropriation	<del>(\$59,427,000)</del>
	<u>\$60,039,000</u>
State Toxics Control Account--Private/Local	

1	Appropriation . . . . .	\$353,000
2	Local Toxics Control Account--State	
3	Appropriation . . . . .	\$4,878,000
4	Water Quality Permit Account--State	
5	Appropriation . . . . .	\$25,741,000
6	Underground Storage Tank Account--State	
7	Appropriation . . . . .	\$2,710,000
8	Environmental Excellence Account--State	
9	Appropriation . . . . .	\$504,000
10	Biosolids Permit Account--State Appropriation . . . . .	\$784,000
11	Hazardous Waste Assistance Account--State	
12	Appropriation . . . . .	\$4,535,000
13	Air Pollution Control Account--State	
14	Appropriation . . . . .	\$1,654,000
15	Oil Spill Prevention Account--State	
16	Appropriation . . . . .	\$7,889,000
17	Air Operating Permit Account--State	
18	Appropriation . . . . .	\$3,693,000
19	Freshwater Aquatic Weeds Account--State	
20	Appropriation . . . . .	\$2,503,000
21	Oil Spill Response Account--State	
22	Appropriation . . . . .	\$7,078,000
23	Metals Mining Account--State Appropriation . . . . .	\$19,000
24	Water Pollution Control Revolving Account--	
25	State Appropriation . . . . .	\$387,000
26	Water Pollution Control Revolving Account--	
27	Federal Appropriation . . . . .	\$1,901,000
28	TOTAL APPROPRIATION . . . . .	<del>(\$308,042,000)</del>
29		<u>\$309,101,000</u>

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

32 (1) \$2,757,696 of the general fund--state appropriation for fiscal  
33 year 2004, \$2,757,696 of the general fund--state appropriation for  
34 fiscal year 2005, \$394,000 of the general fund--federal appropriation,  
35 \$2,581,000 of the state toxics account--state appropriation, \$217,830  
36 of the water quality account--state appropriation, \$322,976 of the  
37 state drought preparedness account--state appropriation, \$3,748,220 of  
38 the water quality permit account--state appropriation, and \$704,942 of

1 the oil spill prevention account are provided solely for the  
2 implementation of the Puget Sound work plan and agency action items  
3 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

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

6 (3) \$170,000 of the oil spill prevention account appropriation is  
7 provided solely for implementation of the Puget Sound work plan action  
8 item UW-02 through a contract with the University of Washington's sea  
9 grant program to develop an educational program targeted to small  
10 spills from commercial fishing vessels, ferries, cruise ships, ports,  
11 and marinas.

12 (4) \$730,000 of the general fund--state appropriation for fiscal  
13 year 2004 and (~~(\$1,270,000)~~) \$1,543,000 of the general fund--state  
14 appropriation for fiscal year 2005 are provided solely for shoreline  
15 grants to local governments to implement Substitute Senate Bill No.  
16 6012 (shoreline management), chapter 262, Laws of 2003.

17 (5) Fees approved by the department of ecology in the 2003-05  
18 biennium are authorized to exceed the fiscal growth factor under RCW  
19 43.135.055.

20 (6) \$200,000 of the water quality account--state appropriation is  
21 provided solely for the department to contract with Washington State  
22 University cooperative extension program to provide statewide  
23 coordination and support for coordinated resource management.

24 (7) \$100,000 of the state toxics control account--state  
25 appropriation is provided solely to implement Engrossed Substitute  
26 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill  
27 is not enacted by June 30, 2003, the amount provided in this subsection  
28 shall lapse.

29 (8) The department of ecology is authorized to take one of the  
30 following actions related to the grant awarded in the 2001-03 biennium  
31 to Lincoln county for the Negro Creek flood control project, flood  
32 control assistance account program grant G0200049: (a) Carry forward  
33 to the 2003-05 biennium any unspent portion of the grant, or (b) extend  
34 the time of performance for the grant contract to the end of the 2003-  
35 2005 biennium.

36 (9) \$144,000 of the oil spill prevention account--state  
37 appropriation is provided solely to implement the provisions of

1 Substitute Senate Bill No. 6641 (oil spills). If the bill is not  
2 enacted by June 30, 2004, the amount provided in this subsection shall  
3 lapse.

4 (10) \$536,000 of the water quality permit account--state  
5 appropriation is provided solely to implement the provisions of  
6 Engrossed Substitute Senate Bill No. 6415 (storm water discharge  
7 permits). If the bill is not enacted by June 30, 2004, the amount  
8 provided in this subsection shall lapse.

9 (11) \$218,000 of the general fund--state appropriation for fiscal  
10 year 2005 is provided solely to implement the provisions of Engrossed  
11 Second Substitute Senate Bill No. 5957 (water quality data). If the  
12 bill is not enacted by June 30, 2004, the amounts provided in this  
13 subsection shall lapse.

14 (12) \$100,000 of the general fund--state appropriation for fiscal  
15 year 2005 is provided solely to support the initial phase of the  
16 federal United States Geological Survey study of the Spokane  
17 Valley-Rathdrum Prairie aquifer.

18 (13) \$65,000 of the general fund--state appropriation for fiscal  
19 year 2005 is provided solely to implement Engrossed Substitute House  
20 Bill No. 2488 (electronic products). If the bill is not enacted by  
21 June 30, 2004, the amounts provided in this subsection shall lapse.

22 (14) \$1,043,000 of the general fund--state appropriation for fiscal  
23 year 2005 is provided solely for (a) establishing instream flows by  
24 rule for main stem rivers and their key tributaries. In watersheds  
25 where planning is not being conducted pursuant to chapter 90.82 RCW,  
26 the department shall follow the procedures and applicable requirements  
27 of chapters 90.22 and 90.54 RCW, and shall create a process of public  
28 involvement similar to that of a watershed planning unit under the  
29 provisions of chapter 90.82 RCW, in order to ensure that citizens are  
30 informed and afforded the opportunity to participate in the development  
31 of instream flow recommendations in collaboration with the department;  
32 (b) working with counties that have existing geographic information  
33 systems to map existing water rights and document current ownership and  
34 evaluating alternative administrative systems for determining existing  
35 water rights; and (c) assigning one water master to a basin that has  
36 been adjudicated.

37 (15) \$2,500,000 of the general fund--state appropriation for fiscal

1 year 2004 is provided solely for a one-time payment to settle all  
2 claims in a suit against the state in the *Envirotest v. Department of*  
3 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.

4 (16) \$350,000 of the hazardous waste assistance account  
5 appropriation is provided solely for rulemaking to require closure  
6 plans, liability coverage, and financial assurances for hazardous waste  
7 management facilities.

8 (17) \$300,000 of the general fund--state appropriation for fiscal  
9 year 2005 is provided solely to assist in watershed planning efforts.  
10 Of this amount, \$200,000 is provided solely for mediation efforts with  
11 the Lummi nation to pursue resolution of federal and tribal rights to  
12 water in Washington state consistent with comprehensive state water  
13 resources planning under chapter 90.54 RCW and \$100,000 is provided  
14 solely for coordination and staff support for the Nisqually river  
15 council watershed initiative program.

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

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

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

34 (b) \$159,000 of the state toxics control account appropriation is  
35 provided solely to implement the mercury chemical action plan. Of this  
36 amount: (i) \$84,000 is provided for development of a memorandum of  
37 understanding with the Washington state hospital association and the

1 auto recyclers of Washington to ensure the safe removal and disposal of  
2 products containing mercury; and (ii) \$75,000 is provided for ongoing  
3 fluorescent lamp recycling.

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

11 (19) \$120,000 of the general fund--state appropriation for fiscal  
12 year 2005 is provided solely for a wetland mitigation banking pilot  
13 project. The department shall work with representatives from involved  
14 state agencies, the army corps of engineers, business, mitigation  
15 banking organizations, and environmental organizations to develop and  
16 implement a wetland banking rule. The department shall report to the  
17 appropriate committees of the legislature on the progress of the rule  
18 by December 2004.

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

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

32 (ii) One representative of cities and one representative of  
33 counties;

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

36 (iv) Three representatives of the executive branch of state  
37 government; and

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

4 **Sec. 302.** 2004 c 276 s 302 (uncodified) is amended to read as  
5 follows:

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

7	General Fund--State Appropriation (FY 2004) . . . . .	\$30,015,000
8	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$30,034,000)</del>
9		<u>\$31,026,000</u>
10	General Fund--Federal Appropriation . . . . .	\$2,666,000
11	General Fund--Private/Local Appropriation . . . . .	\$63,000
12	Winter Recreation Program Account--State	
13	Appropriation . . . . .	\$1,079,000
14	Off Road Vehicle Account--State Appropriation . . . . .	\$285,000
15	Snowmobile Account--State Appropriation . . . . .	\$4,790,000
16	Aquatic Lands Enhancement Account--State	
17	Appropriation . . . . .	\$332,000
18	Public Safety and Education Account--State	
19	Appropriation . . . . .	\$47,000
20	Parks Renewal and Stewardship Account--	
21	Private/Local Appropriation . . . . .	\$300,000
22	Parks Renewal and Stewardship Account--	
23	State Appropriation . . . . .	<del>(\$34,431,000)</del>
24		<u>\$34,856,000</u>
25	TOTAL APPROPRIATION . . . . .	<del>(\$104,042,000)</del>
26		<u>\$105,459,000</u>

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

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

32 (2) \$79,000 of the general fund--state appropriation for fiscal  
33 year 2004, \$79,000 of the general fund--state appropriation for fiscal  
34 year 2005, and \$8,000 of the winter recreation program account--state  
35 appropriation are provided solely for a grant for the operation of the  
36 Northwest avalanche center.

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

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

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

11 (6) \$462,000 of the general fund--state appropriation for fiscal  
12 year 2005 and \$198,000 of the parks renewal and stewardship account--  
13 state appropriation are provided solely for employee retirement buyout  
14 costs.

15 (7) \$160,000 of the general fund--state appropriation for fiscal  
16 year 2005 and \$69,000 of the parks renewal and stewardship account--  
17 state appropriation are provided solely for revenue modeling and  
18 development of business plans.

19 **Sec. 303.** 2004 c 276 s 304 (uncodified) is amended to read as  
20 follows:

21 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

22	General Fund--State Appropriation (FY 2004) . . . . .	\$934,000
23	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$998,000)</del>
24		<u>\$1,021,000</u>
25	TOTAL APPROPRIATION . . . . .	<del>(\$1,932,000)</del>
26		<u>\$1,955,000</u>

27 The appropriations in this section are subject to the following  
28 conditions and limitations: \$30,000 of the general fund--state  
29 appropriation for fiscal year 2004 and ~~(\$20,000)~~ \$43,000 of the  
30 general fund--state appropriation for fiscal year 2005 are provided  
31 solely to implement Engrossed Substitute Senate Bill No. 5776 (review  
32 of permit decisions), chapter 393, Laws of 2003.

33 **Sec. 304.** 2004 c 276 s 306 (uncodified) is amended to read as  
34 follows:

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

36	General Fund--State Appropriation (FY 2004) . . . . .	\$41,600,000
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1	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$40,584,000</del> ))
2		<u>\$40,868,000</u>
3	General Fund--Federal Appropriation . . . . .	\$40,316,000
4	General Fund--Private/Local Appropriation . . . . .	(( <del>\$29,420,000</del> ))
5		<u>\$34,345,000</u>
6	Off Road Vehicle Account--State	
7	Appropriation . . . . .	\$501,000
8	Aquatic Lands Enhancement Account--State	
9	Appropriation . . . . .	\$5,620,000
10	Public Safety and Education Account--State	
11	Appropriation . . . . .	\$562,000
12	Recreational Fisheries Enhancement Account--	
13	State Appropriation . . . . .	(( <del>\$3,467,000</del> ))
14		<u>\$3,692,000</u>
15	Warm Water Game Fish Account--State	
16	Appropriation . . . . .	\$2,568,000
17	Eastern Washington Pheasant Enhancement Account--	
18	State Appropriation . . . . .	\$750,000
19	Wildlife Account--State Appropriation . . . . .	(( <del>\$58,922,000</del> ))
20		<u>\$59,221,000</u>
21	Wildlife Account--Federal Appropriation . . . . .	\$29,532,000
22	Wildlife Account--Private/Local	
23	Appropriation . . . . .	\$10,038,000
24	Special Wildlife Account--State	
25	Appropriation . . . . .	\$2,068,000
26	Special Wildlife Account--Federal	
27	Appropriation . . . . .	(( <del>\$8,720,000</del> ))
28		<u>\$7,720,000</u>
29	Special Wildlife Account--Private/Local	
30	Appropriation . . . . .	(( <del>\$450,000</del> ))
31		<u>\$1,450,000</u>
32	Environmental Excellence Account--State	
33	Appropriation . . . . .	\$15,000
34	Regional Fisheries Salmonid Recovery Account--	
35	Federal Appropriation . . . . .	\$1,750,000
36	Oil Spill Prevention Account--State	
37	Appropriation . . . . .	\$981,000
38	Oyster Reserve Land Account--State	

1	Appropriation . . . . .	\$411,000
2	TOTAL APPROPRIATION . . . . .	<del>(\$278,275,000)</del>
3		<u>\$284,008,000</u>

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

6 (1) \$1,355,714 of the general fund--state appropriation for fiscal  
7 year 2004, \$1,355,713 of the general fund--state appropriation for  
8 fiscal year 2005, and \$402,000 of the wildlife account--state  
9 appropriation are provided solely for the implementation of the Puget  
10 Sound work plan and agency action items DFW-01 through DFW-06.

11 (2) \$225,000 of the general fund--state appropriation for fiscal  
12 year 2004, \$225,000 of the general fund--state appropriation for fiscal  
13 year 2005, 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 (3) \$1,016,000 of the wildlife account--state appropriation is  
17 provided solely for stewardship and maintenance needs on agency-owned  
18 lands and water access sites.

19 (4) \$900,000 of the wildlife fund--state appropriation is provided  
20 solely for wetland restoration activities for migratory waterfowl by  
21 providing landowner incentives to create or maintain waterfowl habitat  
22 and management activities.

23 (5) \$2,000,000 of the aquatic lands enhancement account  
24 appropriation is provided for cooperative volunteer projects.

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

31 (7) The department shall develop and implement an activity-based  
32 costing system. The system shall be operational no later than January  
33 1, 2004.

34 (8) \$400,000 of the wildlife account--state appropriation is  
35 provided solely to implement the department's information systems  
36 strategic plan to include continued implementation of a personal  
37 computer leasing plan, an upgrade of computer back-up systems, systems  
38 architecture assessment, and network security analysis.

1 (9) Within funds provided, the department shall make available  
2 enforcement and biological staff to respond and take appropriate action  
3 to ensure public safety in response to public complaints regarding bear  
4 and cougar.

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

9 (11) \$80,000 of the general fund--state appropriation for fiscal  
10 year 2004 and \$77,000 of the general fund--state appropriation for  
11 fiscal year 2005 are provided solely to implement Second Substitute  
12 House Bill No. 1095 (small forest landowners), chapter 311, Laws of  
13 2003.

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

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

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

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

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

1 (17) \$417,000 of the wildlife account--state appropriation is  
2 provided solely to implement Substitute House Bill No. 2431 (Dungeness  
3 crab card). If the bill is not enacted by June 30, 2004, the amount  
4 provided in this subsection shall lapse.

5 (18) \$112,000 of the general fund--state appropriation for fiscal  
6 year 2005 is provided solely to buy back purse seine fishing licenses.

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

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

16 (+21)) \$249,000 of the general fund--state appropriation for fiscal  
17 year 2005 and \$122,000 of the wildlife account--state appropriation are  
18 provided solely to reimburse the department for fire suppression  
19 activities on department of fish and wildlife lands.

20 (21) \$75,000 of the wildlife account--state appropriation is  
21 provided solely for emergency winter-feeding operations for deer and  
22 elk to mitigate the damage to habitat destroyed by fire.

23 (22) \$150,000 of the general fund--state appropriation for fiscal  
24 year 2005 and \$150,000 of the wildlife account--state appropriation are  
25 provided solely to complete phase II of the contract management system  
26 (CAPS). The CAPS system phase II shall be operational no later than  
27 June 30, 2005.

28 ~~((+22))~~ (23) From within existing funding, the department shall  
29 provide a report to the appropriate committees of the legislature  
30 identifying options for reducing future allocations for the harvest of  
31 salmon in the event that a group's actual catch exceeds a current  
32 allocation. The report shall identify any statutory changes that would  
33 be required to implement such an accountability system.

34 ~~((+23))~~ (24) \$50,000 of the general fund--state appropriation for  
35 fiscal year 2005 is provided solely for lease payments for the  
36 Vancouver hatchery staff residence and for the development of plans for  
37 an educational facility in cooperation with the Columbia Springs  
38 environmental education center.



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

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

12 (3) \$24,674,000 of the general fund--state appropriation for fiscal  
13 year 2004, (~~(\$8,358,000)~~) \$16,957,000 of the general fund--state  
14 appropriation for fiscal year 2005, and \$7,200,000 of the disaster  
15 response account--state appropriation are provided solely for emergency  
16 fire suppression. These funds shall not be allocated to cover any  
17 portion of agency indirect and administrative expenses. The  
18 legislature finds that general fund and disaster response account  
19 support for emergency fire suppression is a significant and direct  
20 subsidy of the costs to administer and manage various trust lands. It  
21 would be an unintended additional subsidy if a portion of the general  
22 fund and disaster response account amounts provided in this subsection  
23 were used to fund agency indirect and administrative expenses. To  
24 avoid this unintended additional subsidy, agency indirect and  
25 administrative costs shall be allocated among the agency's remaining  
26 accounts and appropriations.

27 (4) \$582,000 of the aquatic lands enhancement account appropriation  
28 is provided solely for spartina control.

29 (5) Fees approved by the board of natural resources in the 2003-05  
30 biennium are authorized to exceed the fiscal growth factor under RCW  
31 43.135.055.

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

37 (7) Authority to expend funding for acquisition of technology

1 equipment and software associated with development of a new revenue  
2 management system is conditioned on compliance with section 902 of this  
3 act.

4 (8) \$1,000,000 of the aquatic lands enhancement account--state  
5 appropriation (~~(is)~~) and \$140,000 of the state toxics control account--  
6 state appropriation are provided solely for the department to meet its  
7 obligations with the U.S. environmental protection agency for the  
8 clean-up of Commencement Bay.

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

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

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

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

25 (10) \$208,000 of the general fund--state appropriation of fiscal  
26 year 2004 and \$70,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely to implement Second Substitute  
28 House Bill No. 1095 (small forest landowners), chapter 311, Laws of  
29 2003.

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

34 (12) \$4,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$4,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided solely to compensate the forest board  
37 trust for a portion of the lease to the Crescent television improvement  
38 district consistent with RCW 79.12.055.

1 (13) \$2,700,000 of the general fund--state appropriation for fiscal  
2 year 2004 is provided solely to the department of natural resources to  
3 acquire approximately 232 acres of land and timber in Klickitat county  
4 from the SDS lumber company. Expenditure of the moneys provided in  
5 this subsection shall not be made until the SDS lumber company accepts  
6 the land and timber acquisition as full and complete settlement of the  
7 current litigation brought by the SDS lumber company against the state  
8 and the litigation is dismissed, with prejudice. The land and timber  
9 acquired with the funding in this subsection shall be managed for the  
10 benefit of the common schools. By June 30, 2004, if the department has  
11 not recovered through trust asset management the state's capital  
12 investment from the land acquisition provided in this subsection, the  
13 department shall seek reimbursement from the federal government.

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

18 (15) \$60,000 of the general fund--state appropriation for fiscal  
19 year 2004 is provided solely for habitat restoration work in the Loomis  
20 natural resource area.

21 (16) \$200,000 of the general fund--state appropriation for fiscal  
22 year 2005 is provided solely for providing public access to camp sites  
23 and trails maintained by the department. This additional funding,  
24 along with existing funding from the off road vehicle account is  
25 intended to fully fund current access to camp sites and trails. If  
26 additional funding is required to avoid closures to camp sites and  
27 trails during the 2003-05 biennium, the department shall reduce  
28 expenditures for agency administration by five percent and redeploy  
29 those general fund resources to the recreation program prior to closing  
30 any camp sites or trails.

31 (17) \$40,000 of the aquatic lands enhancement account appropriation  
32 is provided solely for the department to (a) calculate the rent for  
33 DNR-leased marinas based on a percentage of a marina's income and (b)  
34 recommend an appropriate formula to the 2005 legislature.

35 (18)(a) \$2,000,000 of the general fund--state appropriation for  
36 fiscal year 2005, \$750,000 of the state toxics control account--state  
37 appropriation, and \$2,000,000 of the aquatic lands enhancement  
38 account--state appropriation are provided solely for the purpose of

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

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

15 **Sec. 306.** 2004 c 276 s 308 (uncodified) is amended to read as  
 16 follows:

17 **FOR THE DEPARTMENT OF AGRICULTURE**

18	General Fund--State Appropriation (FY 2004) . . . . .	\$7,636,000
19	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$10,941,000)</del>
20		<u>\$11,019,000</u>
21	General Fund--Federal Appropriation . . . . .	\$10,068,000
22	General fund--Private/Local Appropriation . . . . .	\$1,110,000
23	Aquatic Lands Enhancement Account--State	
24	Appropriation . . . . .	<del>(\$2,027,000)</del>
25		<u>\$2,149,000</u>
26	Water Quality Account--State Appropriation . . . . .	\$692,000
27	State Toxics Control Account--State	
28	Appropriation . . . . .	\$2,780,000
29	Water Quality Permit Account--State Appropriation . . . . .	\$165,000
30	TOTAL APPROPRIATION . . . . .	<del>(\$35,419,000)</del>
31		<u>\$35,619,000</u>

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

34 (1) \$37,000 of the general fund--state appropriation for fiscal  
 35 year 2004 and \$37,000 of the general fund--state appropriation for  
 36 fiscal year 2005 are provided solely for implementation of the Puget  
 37 Sound work plan and agency action item WSDA-01.

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

4 (3) \$165,000 of the water quality permit account--state  
5 appropriation and \$692,000 of the water quality account--state  
6 appropriation are provided solely to implement Engrossed Substitute  
7 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of  
8 2003.

9 (4) \$53,000 of the general fund--state appropriation for fiscal  
10 year 2004 and \$15,000 of the general fund--state appropriation for  
11 fiscal year 2005 are provided solely to implement Engrossed Substitute  
12 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

13 (5) \$42,000 of the general fund--state appropriation for fiscal  
14 year 2004 and \$287,000 of the general fund--state appropriation for  
15 fiscal year 2005 are provided solely for animal identification, food  
16 safety, and commercial feed inspection programs.

17 (6) \$150,000 of the general fund--state appropriation for fiscal  
18 year 2004 is provided solely for response costs to the discovery of  
19 bovine spongiform encephalopathy in a Washington dairy cow.

20 (7) \$630,000 of the general fund--state appropriation for fiscal  
21 year 2005 is provided solely for the "from the heart of Washington"  
22 campaign, southeast Asia/China trade representatives, domestic  
23 marketing/economic development, food and agriculture industry security,  
24 and for the small farm and direct marketing program.

25 (8) \$85,000 of the aquatic lands enhancement account appropriation  
26 is provided solely for spartina eradication efforts in Willapa Bay and  
27 Grays Harbor.

28 (9) \$330,000 of the general fund--state appropriation for fiscal  
29 year 2005 is provided solely to contract with Washington State  
30 University for research and development activities related to asparagus  
31 harvesting and automation technology.

32 (10) \$1,500,000 of the general fund--state appropriation for fiscal  
33 year 2005 is provided solely for the purchase of agricultural products  
34 packing equipment. The department shall negotiate an appropriate  
35 agreement with the agricultural industry for the use of the equipment.

36 (11) \$500,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for control of Japanese knotweed in  
2 Washington state.

(End of part)

PART IV  
TRANSPORTATION

Sec. 401. 2004 c 276 s 402 (uncodified) is amended to read as follows:

**FOR THE STATE PATROL**

General Fund--State Appropriation (FY 2004)	\$20,005,000
General Fund--State Appropriation (FY 2005)	<del>(\$18,855,000)</del>
	<u>\$21,721,000</u>
General Fund--Federal Appropriation	\$4,240,000
General Fund--Private/Local Appropriation	\$378,000
Death Investigations Account--State	
Appropriation	\$4,489,000
Public Safety and Education Account--State	
Appropriation	<del>(\$21,969,000)</del>
	<u>\$21,973,000</u>
Enhanced 911 Account--State Appropriation	\$612,000
County Criminal Justice Assistance Account--State	
Appropriation	\$2,649,000
Municipal Criminal Justice Assistance Account--	
State Appropriation	\$1,087,000
Fire Service Trust Account--State	
Appropriation	\$125,000
Fire Service Training Account--State	
Appropriation	\$7,374,000
State Toxics Control Account--State	
Appropriation	\$436,000
Violence Reduction and Drug Enforcement Account--	
State Appropriation	\$286,000
Fingerprint Identification Account--State	
Appropriation	\$5,393,000
TOTAL APPROPRIATION	<del>(\$87,898,000)</del>
	<u>\$90,768,000</u>

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

- (1) \$750,000 of the fire service training account--state

1 appropriation is provided solely for the implementation of Senate Bill  
2 No. 5176 (fire fighting training). If the bill is not enacted by June  
3 30, 2003, the amount provided in this subsection shall lapse.

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

11 (3) \$376,000 of the public safety and education account--state  
12 appropriation is provided solely for additional DNA testing kits.

13 (4) \$276,000 of the fingerprint identification account--state  
14 appropriation is provided solely for the implementation of Substitute  
15 House Bill No. 2532 (modifying commercial driver's license provisions).  
16 If the bill is not enacted by June 30, 2004, the amount provided in  
17 this subsection shall lapse.

(End of part)

**PART V**  
**EDUCATION**

**Sec. 501.** 2004 c 276 s 501 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004) . . . . .	\$11,615,000
General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$11,846,000)</del>
	<u>\$12,166,000</u>
General Fund--Federal Appropriation . . . . .	<del>(\$26,968,000)</del>
	<u>\$28,635,000</u>
TOTAL APPROPRIATION . . . . .	<del>(\$50,429,000)</del>
	<u>\$52,416,000</u>

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

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2004 and \$428,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

1 (c) \$416,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$476,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely for the operation and expenses of  
4 the Washington professional educator standards board. Within the  
5 amounts provided, the Washington professional educator standards board  
6 (WPESB) shall submit a report regarding specific implementation  
7 strategies to strengthen mathematics initiatives by improving teacher  
8 knowledge and skill development including: (i) Teacher preparation  
9 program approval standard changes; (ii) teacher certification  
10 requirement changes and the development of new expertise credentials;  
11 (iii) state-established standards to guide the approval of professional  
12 development providers and offerings related to mathematics; and (iv)  
13 other related recommendations. The WPESB shall base the  
14 recommendations on determinations of the status of teacher preparation  
15 and professional development opportunities and work with appropriate  
16 parties. The WPESB shall submit the report to the governor,  
17 superintendent of public instruction, state board of education, and the  
18 education and fiscal committees of the legislature by November 1, 2004.

19 ~~(((\$130,000 of the general fund--state appropriation for fiscal  
20 year 2005 is provided solely for the implementation of Second Engrossed  
21 Substitute Senate Bill No. 5012 or Second Substitute House Bill No.  
22 2295 (charter schools). If neither bill is enacted by June 30, 2004,  
23 the amount provided in this subsection shall lapse.~~

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

32 ~~((+f))~~ (e) \$44,000 of the general fund--state appropriation for  
33 fiscal year 2005 is provided solely to implement Substitute Senate Bill  
34 No. 6171 (complaints against school employees) or Second Substitute  
35 Senate Bill No. 5533 (disclosure of misconduct). If neither bill is  
36 enacted by June 30, 2004, the amount provided in this subsection shall  
37 lapse.

1        (f) \$450,000 of the general fund--state appropriation for fiscal  
2 year 2005 is provided solely for increased attorney general fees  
3 related to *School Districts' Alliance for Adequate Funding of Special*  
4 *Education et al. v State of Washington et al.*, Thurston County Superior  
5 Court Cause No. 04-2-02000-7.

6            (2) STATEWIDE PROGRAMS

7	General Fund--State Appropriation (FY 2004) . . . . .	\$8,676,000
8	General Fund--State Appropriation (FY 2005) . . . . .	\$9,885,000
9	General Fund--Federal Appropriation . . . . .	<del>(\$61,656,000)</del>
10		<u>\$63,394,000</u>
11	TOTAL APPROPRIATION . . . . .	<del>(\$80,217,000)</del>
12		<u>\$81,955,000</u>

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

16            (a) HEALTH AND SAFETY

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

24            (ii) A maximum of \$96,000 of the general fund--state appropriation  
25 for fiscal year 2004 and a maximum of \$96,000 of the general fund--  
26 state appropriation for fiscal year 2005 are provided for the school  
27 safety center in the office of the superintendent of public instruction  
28 subject to the following conditions and limitations:

29            (A) The safety center shall: Disseminate successful models of  
30 school safety plans and cooperative efforts; provide assistance to  
31 schools to establish a comprehensive safe school plan; select models of  
32 cooperative efforts that have been proven successful; act as an  
33 information dissemination and resource center when an incident occurs  
34 in a school district either in Washington or in another state;  
35 coordinate activities relating to school safety; review and approve  
36 manuals and curricula used for school safety models and training; and  
37 develop and maintain a school safety information web site.

1 (B) The superintendent of public instruction shall participate in  
2 a school safety center advisory committee that includes representatives  
3 of educators, classified staff, principals, superintendents,  
4 administrators, the American society for industrial security, the state  
5 criminal justice training commission, and others deemed appropriate and  
6 approved by the school safety center advisory committee. Members of  
7 the committee shall be chosen by the groups they represent. In  
8 addition, the Washington association of sheriffs and police chiefs  
9 shall appoint representatives of law enforcement to participate on the  
10 school safety center advisory committee. The advisory committee shall  
11 select a chair.

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

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

21 (A) The criminal justice training commission with assistance of the  
22 school safety center advisory committee established in section  
23 2(b)(iii) of this section shall develop manuals and curricula for a  
24 training program for all school safety personnel.

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

30 (iv) \$12,917,000 of the general fund--federal appropriation is  
31 provided for safe and drug free schools and communities grants for drug  
32 and violence prevention activities and strategies.

33 (v) A maximum of \$146,000 of the general fund--state appropriation  
34 for fiscal year 2004 and a maximum of \$146,000 of the general fund--  
35 state appropriation for fiscal year 2005 are provided for a nonviolence  
36 and leadership training program provided by the institute for community  
37 leadership. The program shall provide the following:

1 (A) Statewide nonviolence leadership coaches training program for  
2 certification of educational employees and community members in  
3 nonviolence leadership workshops;

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

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

10 (b) TECHNOLOGY

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

19 (c) GRANTS AND ALLOCATIONS

20 (i) \$16,000 of the fiscal year 2004 appropriation and \$689,000 of  
21 the fiscal year 2005 appropriation are provided solely for the special  
22 services pilot projects provided by Second Substitute House Bill No.  
23 2012 (special services pilot program). The office of the  
24 superintendent of public instruction shall allocate these funds to the  
25 district or districts participating in the pilot program according to  
26 the provisions of section 2 subsection (4) of Second Substitute House  
27 Bill No. 2012, chapter 33, Laws of 2003.

28 (ii) A maximum of \$761,000 of the general fund--state appropriation  
29 for fiscal year 2004 and a maximum of \$1,097,000 of the general fund--  
30 state appropriation for fiscal year 2005 are provided for alternative  
31 certification routes. Funds may be used by the professional educator  
32 standards board to continue existing alternative-route grant programs  
33 and to create new alternative-route programs in regions of the state  
34 with service shortages.

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

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

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

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

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

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

25 (ix) \$25,000 of the general fund--state appropriation for fiscal  
26 year 2005 is provided solely for the school safety center advisory  
27 committee to identify instructional materials and resources for  
28 students, parents, and teachers that are designed to prevent the  
29 abduction of children.

30 (x) \$75,000 of the general fund--state appropriation for fiscal  
31 year 2005 is provided solely for deposit in the natural science,  
32 wildlife, and environmental partnership account--state for the grant  
33 program established in chapter 22, Laws of 2003 (ESHB 1466).

34 (xi) \$100,000 of the general fund--state appropriation for fiscal  
35 year 2005 is provided solely as one-time funding for the Washington  
36 virtual classroom consortium administered by the Quillayute valley  
37 school district.

1 (xii) \$1,650,000 of the general fund--federal appropriation is  
2 provided for the advanced placement fee program to increase  
3 opportunities for low-income students and under-represented populations  
4 to participate in advanced placement courses and to increase the  
5 capacity of schools to provide advanced placement courses to students.

6 (xiii) \$9,953,000 of the general fund--federal appropriation is  
7 provided for comprehensive school reform demonstration projects to  
8 provide grants to low-income schools for improving student achievement  
9 through adoption and implementation of research-based curricula and  
10 instructional programs.

11 (xiv) (~~(\$12,941,000)~~) \$14,679,000 of the general fund--federal  
12 appropriation is provided for 21st century learning center grants,  
13 providing after-school and inter-session activities for students.

14 **Sec. 502.** 2004 c 276 s 502 (uncodified) is amended to read as  
15 follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**  
17 **APPORTIONMENT**

18	General Fund--State Appropriation (FY 2004) . . . . .	\$3,976,507,000
19	General Fund--State Appropriation (FY 2005) . . . . .	( <del>(\$3,988,649,000)</del> )
20		<u>\$3,987,572,000</u>
21	TOTAL APPROPRIATION . . . . .	( <del>(\$7,965,156,000)</del> )
22		<u>\$7,964,079,000</u>

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

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

28 (2) Allocations for certificated staff salaries for the 2003-04 and  
29 2004-05 school years shall be determined using formula-generated staff  
30 units calculated pursuant to this subsection. Staff allocations for  
31 small school enrollments in (d) through (f) of this subsection shall be  
32 reduced for vocational full-time equivalent enrollments. Staff  
33 allocations for small school enrollments in grades K-6 shall be the  
34 greater of that generated under (a) of this subsection, or under (d)  
35 and (e) of this subsection. Certificated staffing allocations shall be  
36 as follows:

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

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

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

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

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

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

31 (A) Funds provided under this subsection (2)(a)(iv) and (v) in  
32 excess of the amount required to maintain the statutory minimum ratio  
33 established under RCW 28A.150.260(2)(b) shall be allocated only if the  
34 district documents an actual ratio in grades K-4 equal to or greater  
35 than 54.0 certificated instructional staff per thousand full-time  
36 equivalent students in the 2003-04 school year and 53.2 certificated  
37 instructional staff per thousand full-time equivalent students in the  
38 2004-05 school year. For any school district documenting a lower

1 certificated instructional staff ratio, the allocation shall be based  
2 on the district's actual grades K-4 certificated instructional staff  
3 ratio achieved in that school year, or the statutory minimum ratio  
4 established under RCW 28A.150.260(2)(b), if greater;

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

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

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

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

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

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

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

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

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

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

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

34 (e) For specified enrollments in districts enrolling more than  
35 twenty-five but not more than one hundred average annual full-time  
36 equivalent students in grades K-8, and for small school plants within  
37 any school district which enroll more than twenty-five average annual

1 full-time equivalent students in grades K-8 and have been judged to be  
2 remote and necessary by the state board of education:

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

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

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

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

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

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

29 (g) For each nonhigh school district having an enrollment of more  
30 than seventy annual average full-time equivalent students and less than  
31 one hundred eighty students, operating a grades K-8 program or a grades  
32 1-8 program, an additional one-half of a certificated instructional  
33 staff unit; and

34 (h) For each nonhigh school district having an enrollment of more  
35 than fifty annual average full-time equivalent students and less than  
36 one hundred eighty students, operating a grades K-6 program or a grades  
37 1-6 program, an additional one-half of a certificated instructional  
38 staff unit.

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

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

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

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

15 (4) Fringe benefit allocations shall be calculated at a rate of  
16 9.68 percent in the 2003-04 school year and (~~(9.69)~~) 9.66 percent in  
17 the 2004-05 school year for certificated salary allocations provided  
18 under subsection (2) of this section, and a rate of 12.25 percent in  
19 the 2003-04 school year and (~~(12.25)~~) 12.22 percent in the 2004-05  
20 school year for classified salary allocations provided under subsection  
21 (3) of this section.

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

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

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

33 (6)(a) For nonemployee-related costs associated with each  
34 certificated staff unit allocated under subsection (2)(a), (b), and (d)  
35 through (h) of this section, there shall be provided a maximum of  
36 \$8,785 per certificated staff unit in the 2003-04 school year and a  
37 maximum of \$8,855 per certificated staff unit in the 2004-05 school  
38 year.

1 (b) For nonemployee-related costs associated with each vocational  
2 certificated staff unit allocated under subsection (2)(c)(i)(A) of this  
3 section, there shall be provided a maximum of \$21,573 per certificated  
4 staff unit in the 2003-04 school year and a maximum of \$21,746 per  
5 certificated staff unit in the 2004-05 school year.

6 (c) For nonemployee-related costs associated with each vocational  
7 certificated staff unit allocated under subsection (2)(c)(i)(B) of this  
8 section, there shall be provided a maximum of \$16,739 per certificated  
9 staff unit in the 2003-04 school year and a maximum of \$16,873 per  
10 certificated staff unit in the 2004-05 school year.

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

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

30 (9) The superintendent may distribute a maximum of \$6,385,000  
31 outside the basic education formula during fiscal years 2004 and 2005  
32 as follows:

33 (a) For fire protection for school districts located in a fire  
34 protection district as now or hereafter established pursuant to chapter  
35 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004  
36 and a maximum of \$499,000 may be expended in fiscal year 2005;

37 (b) For summer vocational programs at skills centers, a maximum of

1 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of  
2 \$2,035,000 for the 2005 fiscal year;

3 (c) A maximum of \$351,000 may be expended for school district  
4 emergencies; and

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

11 (10) For purposes of RCW 84.52.0531, the increase per full-time  
12 equivalent student is 3.4 percent from the 2002-03 school year to the  
13 2003-04 school year and 2.5 percent from the 2003-04 school year to the  
14 2004-05 school year.

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

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

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

29 ~~((12) \$401,000 of the general fund state appropriation for fiscal  
30 year 2005 is provided solely for the implementation of Second Engrossed  
31 Substitute Senate Bill No. 5012 or Second Substitute House Bill No.  
32 2295 (charter schools). If neither bill is enacted by June 30, 2004,  
33 the amount provided in this subsection shall lapse.))~~

34 **Sec. 503.** 2004 c 276 s 503 (uncodified) is amended to read as  
35 follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION**  
37 **EMPLOYEE COMPENSATION.** (1) The following calculations determine the

1 salaries used in the general fund allocations for certificated  
2 instructional, certificated administrative, and classified staff units  
3 under section 502 of this act:

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

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

15 (2) For the purposes of this section:

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

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

26 (c) "LEAP Document 12E" means the computerized tabulation of 2003-  
27 04 and 2004-05 school year salary allocations for certificated  
28 administrative staff and classified staff and derived and total base  
29 salaries for certificated instructional staff as developed by the  
30 legislative evaluation and accountability program committee on March  
31 31, 2003, at 09:06 hours.

32 (3) Incremental fringe benefit factors shall be applied to salary  
33 adjustments at a rate of 9.04 percent for school year 2003-04 and  
34 ((9.05)) 9.02 percent for school year 2004-05 for certificated staff  
35 and for classified staff 8.75 percent for school year 2003-04 and  
36 ((8.75)) 8.72 percent for the 2004-05 school year.

37 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary

1 allocation schedules for certificated instructional staff are  
 2 established for basic education salary allocations:

3 K-12 Salary Allocation Schedule For Certificated Instructional Staff  
 4 2003-04 School Year

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

25 K-12 Salary Allocation Schedule For Certificated Instructional Staff  
 26 2004-05 School Year

27 Years of										MA+90
28 Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45		or PHD
29										
30	0	30,023	30,834	31,674	32,516	35,218	36,958	35,995	38,697	40,439
31	1	30,427	31,249	32,100	32,979	35,709	37,440	36,395	39,125	40,855
32	2	30,812	31,642	32,502	33,449	36,171	37,920	36,798	39,520	41,269
33	3	31,209	32,047	32,916	33,893	36,610	38,401	37,180	39,895	41,687
34	4	31,598	32,473	33,347	34,358	37,091	38,895	37,580	40,313	42,118

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

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

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

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

23 (5) For the purposes of this section:

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

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

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

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

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

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

- 37 (a) The employee has a masters degree; or

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

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

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

20 **Sec. 504.** 2004 c 276 s 504 (uncodified) is amended to read as  
21 follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**  
23 **COMPENSATION ADJUSTMENTS**

24	General Fund--State Appropriation (FY 2004) . . . . .	\$28,604,000
25	General Fund--State Appropriation (FY 2005) . . . . .	<del>(((\$132,202,000))</del>
26		<u>\$132,261,000</u>
27	General Fund--Federal Appropriation . . . . .	<del>(((\$663,000))</del>
28		<u>\$655,000</u>
29	TOTAL APPROPRIATION . . . . .	<del>(((\$161,469,000))</del>
30		<u>\$161,520,000</u>

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

33 (1) \$8,944,000 of the general fund--state appropriation for fiscal  
34 year 2004 and ~~(((\$20,339,000))~~ \$20,350,000 of the general fund--state  
35 appropriation for fiscal year 2005 are provided solely to provide a  
36 salary adjustment for state formula certificated instructional staff  
37 units in their first seven years of service. Consistent with the

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

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

26 (b) The appropriations include associated incremental fringe  
27 benefit allocations at rates of 9.04 percent for school year 2003-04  
28 and (~~(9.05)~~) 9.02 percent for school year 2004-05 for certificated  
29 staff. Increases for general apportionment (basic education) are based  
30 on the salary allocation schedules and methodology in sections 502 and  
31 503 of this act. Increases for special education result from increases  
32 in each district's basic education allocation per student. Increases  
33 for educational service districts and institutional education programs  
34 are determined by the superintendent of public instruction using the  
35 methodology for general apportionment salaries and benefits in sections  
36 502 and 503 of this act.

37 (2) (~~(\$5,452,000)~~) \$5,455,000 of the general fund--state  
38 appropriation is provided solely to provide a salary adjustment for

1 state formula classified units of one percent effective September 1,  
2 2004, and ((~~\$126,598,000~~)) \$126,639,000 is provided solely for  
3 adjustments to insurance benefit allocations.

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

13 (ii) The appropriations include associated incremental fringe  
14 benefit allocations at rates of ((~~8.75~~)) 8.72 percent for the 2004-05  
15 school year for classified staff. The appropriations in this section  
16 include the increased portion of salaries and incremental fringe  
17 benefits for all relevant state-funded school programs in this part V  
18 of this act. Increases for general apportionment (basic education) are  
19 based on the salary allocation schedules and methodology in sections  
20 502 and 503 of this act. Increases for special education result from  
21 increases in each district's basic education allocation per student.  
22 Increases for educational service districts and institutional education  
23 programs are determined by the superintendent of public instruction  
24 using the methodology for general apportionment salaries and benefits  
25 in sections 502 and 503 of this act.

26 (b) The maintenance rate for insurance benefit allocations is  
27 \$457.07 per month for the 2003-04 and 2004-05 school years. The  
28 appropriations in this section provide for a rate increase to \$481.31  
29 per month for the 2003-04 school year and \$582.47 per month for the  
30 2004-05 school year.

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

	School Year	
	2003-04	2004-05
Pupil Transportation (per weighted pupil mile)	\$0.00	\$0.22

1	Highly Capable (per formula student)	\$0.93	\$1.89
2	Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
3	Learning Assistance (per entitlement unit)	\$0.69	\$2.94

4 (4) The adjustments to insurance benefit allocations are at the  
5 following rates:

6		School Year	
7		2003-04	2004-05
8	Pupil Transportation (per weighted pupil mile)	\$0.22	\$1.14
9	Highly Capable (per formula student)	\$1.52	\$7.72
10	Transitional Bilingual Education (per eligible bilingual student)	\$3.92	\$20.30
11	Learning Assistance (per entitlement unit)	\$3.08	\$15.95

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

14 **Sec. 505.** 2004 c 276 s 505 (uncodified) is amended to read as  
15 follows:

16	<b>FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION</b>		
17	General Fund--State Appropriation (FY 2004) . . . . .	\$215,454,000	
18	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$219,899,000)</del>	
19			<u>\$234,543,000</u>
20	TOTAL APPROPRIATION . . . . .	<del>(\$435,353,000)</del>	
21			<u>\$449,997,000</u>

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

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

27 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation  
28 and a maximum of \$774,000 of the fiscal year 2005 appropriation may be  
29 expended for regional transportation coordinators and related  
30 activities. The transportation coordinators shall ensure that data  
31 submitted by school districts for state transportation funding shall,  
32 to the greatest extent practical, reflect the actual transportation  
33 activity of each district.

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

6 (4) Allocations for transportation of students shall be based on  
7 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school  
8 year and \$39.30 per weighted mile in the 2004-05 school year exclusive  
9 of salary and benefit adjustments provided in section 504 of this act.  
10 Allocations for transportation of students transported more than one  
11 radius mile shall be based on weighted miles as determined by  
12 superintendent of public instruction multiplied by the per mile  
13 reimbursement rates for the school year pursuant to the formulas  
14 adopted by the superintendent of public instruction. Allocations for  
15 transportation of students living within one radius mile shall be based  
16 on the number of enrolled students in grades kindergarten through five  
17 living within one radius mile of their assigned school multiplied by  
18 the per mile reimbursement rate for the school year multiplied by 1.29.

19 (5) For busses purchased between July 1, 2003, and June 30, 2004,  
20 the office of superintendent of public instruction shall provide  
21 reimbursement funding to a school district only after the  
22 superintendent of public instruction determines that the school bus was  
23 purchased from the list established pursuant to RCW 28A.160.195(2) or  
24 a comparable competitive bid process based on the lowest price quote  
25 based on similar bus categories to those used to establish the list  
26 pursuant to RCW 28A.160.195. The competitive specifications shall meet  
27 federal motor vehicle safety standards, minimum state specifications as  
28 established by rule by the superintendent, and supported options as  
29 determined by the superintendent in consultation with the regional  
30 transportation coordinators of the educational service districts.

31 **Sec. 506.** 2004 c 276 s 506 (uncodified) is amended to read as  
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**  
34 **PROGRAMS**

35	General Fund--State Appropriation (FY 2004) . . . . .	\$3,100,000
36	General Fund--State Appropriation (FY 2005) . . . . .	\$3,100,000
37	General Fund--Federal Appropriation . . . . .	(( <del>\$252,128,000</del> ))

1 268,293,000  
 2 TOTAL APPROPRIATION . . . . . ((~~\$258,328,000~~))  
 3 \$274,493,000

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

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

10 (2) \$100,000 of the general fund--state appropriation for fiscal  
 11 year 2004 and \$100,000 of the 2005 fiscal year appropriation are  
 12 provided for summer food programs for children in low-income areas.

13 **Sec. 507.** 2004 c 276 s 507 (uncodified) is amended to read as  
 14 follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**  
 16 **PROGRAMS**

17 General Fund--State Appropriation (FY 2004) . . . . . \$435,061,000  
 18 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$426,802,000~~))  
 19 \$429,370,000  
 20 General Fund--Federal Appropriation . . . . . ((~~\$426,450,000~~))  
 21 \$426,208,000  
 22 TOTAL APPROPRIATION . . . . . ((~~\$1,288,313,000~~))  
 23 \$1,290,639,000

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

26 (1) Funding for special education programs is provided on an excess  
 27 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure  
 28 that special education students as a class receive their full share of  
 29 the general apportionment allocation accruing through sections 502 and  
 30 504 of this act. To the extent a school district cannot provide an  
 31 appropriate education for special education students under chapter  
 32 28A.155 RCW through the general apportionment allocation, it shall  
 33 provide services through the special education excess cost allocation  
 34 funded in this section.

35 (2)(a) The superintendent of public instruction shall use the  
 36 excess cost methodology developed and implemented for the 2001-02

1 school year using the S-275 personnel reporting system and all related  
2 accounting requirements to ensure that:

3 (i) Special education students are basic education students first;  
4 (ii) As a class, special education students are entitled to the  
5 full basic education allocation; and

6 (iii) Special education students are basic education students for  
7 the entire school day.

8 (b) The S-275 and accounting changes in effect since the 2001-02  
9 school year shall supercede any prior excess cost methodologies and  
10 shall be required of all school districts.

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

14 (4) The superintendent of public instruction shall distribute state  
15 and federal funds to school districts based on two categories: The  
16 optional birth through age two program for special education eligible  
17 developmentally delayed infants and toddlers, and the mandatory special  
18 education program for special education eligible students ages three to  
19 twenty-one. A "special education eligible student" means a student  
20 receiving specially designed instruction in accordance with a properly  
21 formulated individualized education program.

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

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

28 (ii) A district's annual average full-time equivalent basic  
29 education enrollment multiplied by the funded enrollment percent  
30 determined pursuant to subsection (6)(b) of this section, multiplied by  
31 the district's average basic education allocation per full-time  
32 equivalent student multiplied by 0.9309.

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

37 (6) The definitions in this subsection apply throughout this  
38 section.

1 (a) "Annual average full-time equivalent basic education  
2 enrollment" means the resident enrollment including students enrolled  
3 through choice (RCW 28A.225.225) and students from nonhigh districts  
4 (RCW 28A.225.210) and excluding students residing in another district  
5 enrolled as part of an interdistrict cooperative program (RCW  
6 28A.225.250).

7 (b) "Enrollment percent" means the district's resident special  
8 education annual average enrollment, excluding the birth through age  
9 two enrollment, as a percent of the district's annual average full-time  
10 equivalent basic education enrollment.

11 Each district's general fund--state funded special education  
12 enrollment shall be the lesser of the district's actual enrollment  
13 percent or 12.7 percent. Increases in enrollment percent from 12.7  
14 percent to 13.0 percent shall be funded from the general fund--federal  
15 appropriation.

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

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

34 (a) The committee shall consider unmet needs for districts that can  
35 convincingly demonstrate that all legitimate expenditures for special  
36 education exceed all available revenues from state funding formulas.  
37 In the determination of need, the committee shall also consider  
38 additional available revenues from federal and local sources.

1 Differences in program costs attributable to district philosophy,  
2 service delivery choice, or accounting practices are not a legitimate  
3 basis for safety net awards.

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

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

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

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

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

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

24 (a) One staff from the office of superintendent of public  
25 instruction;

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

27 (c) One or more representatives from school districts or  
28 educational service districts knowledgeable of special education  
29 programs and funding.

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

35 (12) \$1,000,000 of the general fund--federal appropriation is  
36 provided for projects to provide special education students with  
37 appropriate job and independent living skills, including work

1 experience where possible, to facilitate their successful transition  
2 out of the public school system. The funds provided by this subsection  
3 shall be from federal discretionary grants.

4 (13) The superintendent shall maintain the percentage of federal  
5 flow-through to school districts at 85 percent. In addition to other  
6 purposes, school districts may use increased federal funds for high-  
7 cost students, for purchasing regional special education services from  
8 educational service districts, and for staff development activities  
9 particularly relating to inclusion issues.

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

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

22 **Sec. 508.** 2004 c 276 s 508 (uncodified) is amended to read as  
23 follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**  
25 **DISTRICTS**

26	General Fund--State Appropriation (FY 2004) . . . . .	\$3,538,000
27	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$3,538,000 ))</del>
28		<u>\$3,537,000</u>
29	TOTAL APPROPRIATION . . . . .	<del>(( \$7,076,000 ))</del>
30		<u>\$7,075,000</u>

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

33 (1) The educational service districts shall continue to furnish  
34 financial services required by the superintendent of public instruction  
35 and RCW 28A.310.190 (3) and (4).

36 (2) The educational service districts, at the request of the state  
37 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may

1 receive and screen applications for school accreditation, conduct  
2 school accreditation site visits pursuant to state board of education  
3 rules, and submit to the state board of education post-site visit  
4 recommendations for school accreditation. The educational service  
5 districts may assess a cooperative service fee to recover actual plus  
6 reasonable indirect costs for the purposes of this subsection.

7 **Sec. 509.** 2004 c 276 s 509 (uncodified) is amended to read as  
8 follows:

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**  
10 **ASSISTANCE**

11	General Fund--State Appropriation (FY 2004) . . . . .	\$163,049,000
12	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$165,578,000)</del>
13		<u>\$164,841,000</u>
14	TOTAL APPROPRIATION . . . . .	<del>(\$328,627,000)</del>
15		<u>\$327,890,000</u>

16 **Sec. 510.** 2004 c 276 s 510 (uncodified) is amended to read as  
17 follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**  
19 **EDUCATION PROGRAMS**

20	General Fund--State Appropriation (FY 2004) . . . . .	\$18,207,000
21	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$18,176,000)</del>
22		<u>\$18,395,000</u>
23	TOTAL APPROPRIATION . . . . .	<del>(\$36,383,000)</del>
24		<u>\$36,602,000</u>

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

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

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

35 (3) State funding for each institutional education program shall be

1 based on the institution's annual average full-time equivalent student  
2 enrollment. Staffing ratios for each category of institution shall  
3 remain the same as those funded in the 1995-97 biennium.

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

7 (5) \$190,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$142,000 of the general fund--state appropriation for  
9 fiscal year 2005 are provided solely to maintain at least one  
10 certificated instructional staff and related support services at an  
11 institution whenever the K-12 enrollment is not sufficient to support  
12 one full-time equivalent certificated instructional staff to furnish  
13 the educational program. The following types of institutions are  
14 included: Residential programs under the department of social and  
15 health services for developmentally disabled juveniles, programs for  
16 juveniles under the department of corrections, and programs for  
17 juveniles under the juvenile rehabilitation administration.

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

20 **Sec. 511.** 2004 c 276 s 511 (uncodified) is amended to read as  
21 follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**  
23 **CAPABLE STUDENTS**

24	General Fund--State Appropriation (FY 2004) . . . . .	\$6,620,000
25	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$6,632,000)</del>
26		<u>\$6,667,000</u>
27	TOTAL APPROPRIATION . . . . .	<del>(\$13,252,000)</del>
28		<u>\$13,287,000</u>

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

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

34 (2) Allocations for school district programs for highly capable  
35 students shall be distributed at a maximum rate of \$334.89 per funded  
36 student for the 2003-04 school year and ~~(\$334.91)~~ \$334.85 per funded  
37 student for the 2004-05 school year, exclusive of salary and benefit

1 adjustments pursuant to section 504 of this act. The number of funded  
2 students shall be a maximum of two percent of each district's full-time  
3 equivalent basic education enrollment.

4 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of  
5 the fiscal year 2005 appropriation are provided for the centrum program  
6 at Fort Worden state park.

7 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of  
8 the fiscal year 2005 appropriation are provided for the Washington  
9 destination imagination network and future problem-solving programs.

10 **Sec. 512.** 2004 c 276 s 513 (uncodified) is amended to read as  
11 follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**  
13 **PROGRAMS**

14	General Fund--State Appropriation (FY 2004) . . . . .	\$38,417,000
15	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$37,709,000)</del>
16		<u>\$37,270,000</u>
17	General Fund--Federal Appropriation . . . . .	<del>(\$164,087,000)</del>
18		<u>\$128,906,000</u>
19	TOTAL APPROPRIATION . . . . .	<del>(\$240,213,000)</del>
20		<u>\$204,593,000</u>

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

23 (1) \$310,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$310,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely for the academic achievement and  
26 accountability commission.

27 (2) \$15,486,000 of the general fund--state appropriation for fiscal  
28 year 2004, \$13,103,000 of the general fund--state appropriation for  
29 fiscal year 2005, and ~~(\$12,310,000)~~ \$14,009,000 of the general fund--  
30 federal appropriation are provided solely for development and  
31 implementation of the Washington assessments of student learning  
32 (WASL), including development and implementation of retake assessments  
33 for high school students who are not successful in one or more content  
34 areas of the WASL, development of alternative assessments or appeals  
35 procedures to implement the certificate of academic achievement, and  
36 independent research on the alignment and technical review of reading,  
37 writing, and science.

1 (3) \$548,000 of the fiscal year 2004 general fund--state  
2 appropriation and \$548,000 of the fiscal year 2005 general fund--state  
3 appropriation are provided solely for training of paraprofessional  
4 classroom assistants and certificated staff who work with classroom  
5 assistants as provided in RCW 28A.415.310.

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

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

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

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

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

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

37 (v) Assistance in the incorporation of the essential academic  
38 learning requirements into instructional plans and in the development

1 of complex teaching strategies, including strategies to raise the  
2 achievement of students with diverse learning styles and backgrounds;  
3 and

4 (vi) Guidance and assistance in the development and implementation  
5 of a professional growth plan. The plan shall include a professional  
6 self-evaluation component and one or more informal performance  
7 assessments. A peer mentor may not be involved in any evaluation under  
8 RCW 28A.405.100 of a beginning teacher whom the peer mentor has  
9 assisted through this program.

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

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

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

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

23 (5) \$1,959,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$1,959,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely for improving technology  
26 infrastructure, monitoring and reporting on school district technology  
27 development, promoting standards for school district technology,  
28 promoting statewide coordination and planning for technology  
29 development, and providing regional educational technology support  
30 centers, including state support activities, under chapter 28A.650 RCW.  
31 The superintendent of public instruction shall coordinate a process to  
32 facilitate the evaluation and provision of online curriculum courses to  
33 school districts which includes the following: Creation of a general  
34 listing of the types of available online curriculum courses; a survey  
35 conducted by each regional educational technology support center of  
36 school districts in its region regarding the types of online curriculum  
37 courses desired by school districts; a process to evaluate and

1 recommend to school districts the best online courses in terms of  
2 curriculum, student performance, and cost; and assistance to school  
3 districts in procuring and providing the courses to students.

4 (6) \$3,594,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$3,594,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for grants to school districts to  
7 provide a continuum of care for children and families to help children  
8 become ready to learn. Grant proposals from school districts shall  
9 contain local plans designed collaboratively with community service  
10 providers. If a continuum of care program exists in the area in which  
11 the school district is located, the local plan shall provide for  
12 coordination with existing programs to the greatest extent possible.  
13 Grant funds shall be allocated pursuant to RCW 70.190.040.

14 (7) \$2,500,000 of the general fund--state appropriation for fiscal  
15 year 2004 and \$2,500,000 of the general fund--state appropriation for  
16 fiscal year 2005 are provided solely for the meals for kids program  
17 under RCW 28A.235.145 through 28A.235.155.

18 (8) \$705,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$705,000 of the general fund--state appropriation for  
20 fiscal year 2005 are provided solely for the leadership internship  
21 program for superintendents, principals, and program administrators.

22 (9) A maximum of \$250,000 of the general fund--state appropriation  
23 for fiscal year 2004 and a maximum of \$250,000 of the general fund--  
24 state appropriation for fiscal year 2005 are provided for summer  
25 accountability institutes offered by the superintendent of public  
26 instruction and the academic achievement and accountability commission.  
27 The institutes shall provide school district staff with training in the  
28 analysis of student assessment data, information regarding successful  
29 district and school teaching models, research on curriculum and  
30 instruction, and planning tools for districts to improve instruction in  
31 reading, mathematics, language arts, social studies, including civics,  
32 and guidance and counseling.

33 (10) \$3,713,000 of the general fund--state appropriation for fiscal  
34 year 2004 and \$3,713,000 of the general fund--state appropriation for  
35 fiscal year 2005 are provided solely for the Washington reading corps  
36 subject to the following conditions and limitations:

37 (a) Grants shall be allocated to schools and school districts to  
38 implement proven, research-based mentoring and tutoring programs in

1 reading that may include research-based reading skills development  
2 software for low-performing students in grades K-6. If the grant is  
3 made to a school district, the principals of schools enrolling targeted  
4 students shall be consulted concerning design and implementation of the  
5 program.

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

9 (c) Two or more schools may combine their Washington reading corps  
10 programs.

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

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

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

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

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

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

25 (vi) The program may include a software-based solution to increase  
26 the student/tutor ratio to a minimum of 5:1. The selected software  
27 program shall be scientifically researched-based.

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

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

37 (g) Grants provided under this section may be used by schools and

1 school districts for expenditures from September 2003 through August  
2 31, 2005.

3 (11) \$1,313,000 of the general fund--state appropriation for fiscal  
4 year 2004 and (~~(\$2,473,000)~~) \$2,034,000 of the general fund--state  
5 appropriation for fiscal year 2005 are provided solely for salary  
6 bonuses for teachers who attain certification by the national board for  
7 professional teaching standards, subject to the following conditions  
8 and limitations:

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

13 (b) The annual bonus shall be paid in a lump sum amount and shall  
14 not be included in the definition of "earnable compensation" under RCW  
15 41.32.010(10).

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

27 (13) \$126,000 of the general fund--state appropriation for fiscal  
28 year 2004 and \$126,000 of the general fund--state appropriation for  
29 fiscal year 2005 are provided for the development and posting of web-  
30 based instructional tools, assessment data, and other information that  
31 assists schools and teachers implementing higher academic standards.

32 (14) \$3,046,000 of the general fund--state appropriation for fiscal  
33 year 2004 and \$3,046,000 of the general fund--state appropriation for  
34 fiscal year 2005 are provided solely to the office of the  
35 superintendent of public instruction for focused assistance. The  
36 office of the superintendent of public instruction shall conduct  
37 educational audits of low-performing schools and enter into performance  
38 agreements between school districts and the office to implement the

1 recommendations of the audit and the community. Each educational audit  
2 shall include recommendations for best practices and ways to address  
3 identified needs and shall be presented to the community in a public  
4 meeting to seek input on ways to implement the audit and its  
5 recommendations.

6 (15) \$1,764,000 of the general fund--state appropriation for fiscal  
7 year 2004 and \$1,764,000 of the general fund--state appropriation for  
8 fiscal year 2005 are provided solely for the mathematics helping corps  
9 subject to the following conditions and limitations:

10 (a) In order to increase the availability and quality of technical  
11 mathematics assistance statewide, the superintendent of public  
12 instruction shall employ mathematics school improvement specialists to  
13 provide assistance to schools and districts. The specialists shall be  
14 hired by and work under the direction of a statewide school improvement  
15 coordinator. The mathematics improvement specialists shall not be  
16 permanent employees of the superintendent of public instruction.

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

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

20 (ii) Consultation with schools and districts concerning their  
21 performance on the Washington assessment of student learning and other  
22 assessments emphasizing the performance on the mathematics assessments;

23 (iii) Consultation concerning curricula that aligns with the  
24 essential academic learning requirements emphasizing the academic  
25 learning requirements for mathematics, the Washington assessment of  
26 student learning, and meets the needs of diverse learners;

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

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

31 (vi) Assistance in developing and implementing family and community  
32 involvement programs emphasizing mathematics; and

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

35 (16) \$125,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$125,000 of the general fund--state appropriation for  
37 fiscal year 2005 are provided for the Tukwila school district and the  
38 Selah school district for a two-year project designed to improve the

1 districts' performance in reading and math and to close the achievement  
2 gap within the district, subject to the following conditions and  
3 limitations:

4 (a) Funds shall be allocated to all schools within the Tukwila  
5 school district and Selah school district to implement proven,  
6 research-based reading and math intervention software for low-  
7 performing students in grades K-12.

8 (b) The programs may be implemented before, during, or after the  
9 regular school day, on Saturdays, or summer intercessions.

10 (c) A program is eligible for funding if it meets the following  
11 conditions:

12 (i) The program employs methods of teaching and student learning  
13 based on reliable research and best practices;

14 (ii) The program design is comprehensive and includes instruction,  
15 ongoing student assessment, professional development, and program  
16 management aligned with the district's reading and math curriculum;

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

19 (iv) The program contains an evaluation component to determine the  
20 effectiveness of the program, which will be reported to the legislature  
21 and the superintendent of public instruction on an annual basis for the  
22 duration of the project.

23 (d) Beginning and end-of-program testing data shall be available to  
24 determine the effectiveness of funded programs and practices. Common  
25 evaluative criteria across programs, such as grade-level improvements,  
26 shall be available for each program.

27 (e) All materials related to the project shall be retained by the  
28 district at the end of the two-year term.

29 (17) \$515,000 of the general fund--state appropriation for fiscal  
30 year 2005 is provided solely for the math initiative. The office of  
31 the superintendent of public instruction shall evaluate textbooks and  
32 other instructional materials for math to determine the extent to which  
33 they are aligned with the state standards. A scorecard of the analysis  
34 shall be made available to school districts. The superintendent shall  
35 also develop and disseminate information on essential components of  
36 comprehensive, school-based math programs and shall work with mentor  
37 teachers from around the state to develop guidelines for eligibility,  
38 training, and professional development for mentor math teachers.

1 (18) (~~(\$87,901,000)~~) \$88,942,000 of the general fund--federal  
2 appropriation is provided for preparing, training, and recruiting high  
3 quality teachers and principals under Title II of the no child left  
4 behind act.

5 (19) \$25,955,000 of the general fund--federal appropriation is  
6 provided for the reading first program under Title I of the no child  
7 left behind act.

8 **Sec. 513.** 2004 c 276 s 514 (uncodified) is amended to read as  
9 follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**  
11 **BILINGUAL PROGRAMS**

12	General Fund--State Appropriation (FY 2004) . . . . .	\$50,678,000
13	General Fund--State Appropriation (FY 2005) . . . . .	( <del>(\$54,050,000)</del> )
14		<u>\$53,856,000</u>
15	General Fund--Federal Appropriation (FY 2005) . . . . .	\$44,544,000
16	TOTAL APPROPRIATION . . . . .	( <del>(\$149,272,000)</del> )
17		<u>\$149,078,000</u>

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

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

23 (2) The superintendent shall distribute a maximum of \$725.11 per  
24 eligible bilingual student in the 2003-04 school year and (~~(\$725.17)~~)  
25 \$724.99 in the 2004-05 school year, exclusive of salary and benefit  
26 adjustments provided in section 504 of this act.

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

32 (4) \$70,000 of the amounts appropriated in this section are  
33 provided solely to develop a system for the tracking of current and  
34 former transitional bilingual program students.

35 (5) The general fund--federal appropriation in this section is  
36 provided for migrant education under Title I Part C and English

1 language acquisition, and language enhancement grants under Title III  
2 of the elementary and secondary education act.

3 **Sec. 514.** 2004 c 276 s 515 (uncodified) is amended to read as  
4 follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**  
6 **ASSISTANCE PROGRAM**

7	General Fund--State Appropriation (FY 2004) . . . . .	\$64,366,000
8	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$62,929,000</del> ))
9		<u>\$62,995,000</u>
10	General Fund--Federal Appropriation . . . . .	(( <del>\$301,322,000</del> ))
11		<u>\$310,314,000</u>
12	TOTAL APPROPRIATION . . . . .	(( <del>\$428,617,000</del> ))
13		<u>\$437,675,000</u>

14 (1) The general fund--state appropriations in this section are  
15 subject to the following conditions and limitations:

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

19 (b) Funding for school district learning assistance programs shall  
20 be allocated at maximum rates of \$432.15 per funded unit for the 2003-  
21 04 school year and ((~~\$432.53~~)) \$432.44 per funded unit for the 2004-05  
22 school year exclusive of salary and benefit adjustments provided under  
23 section 504 of this act.

24 (c) For purposes of this section, "test results" refers to the  
25 district results from the norm-referenced test administered in the  
26 specified grade level. The norm-referenced test results used for the  
27 third and sixth grade calculations shall be consistent with the third  
28 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

29 (d) A school district's general fund--state funded units shall be  
30 the sum of the following:

31 (i) The district's full-time equivalent enrollment in grades K-6,  
32 multiplied by the 5-year average 4th grade lowest quartile test results  
33 as adjusted for funding purposes in the school years prior to 1999-  
34 2000, multiplied by 0.82. As the 3rd grade test becomes available, it  
35 shall be phased into the 5-year average on a 1-year lag;

36 (ii) The district's full-time equivalent enrollment in grades 7-9,  
37 multiplied by the 5-year average 8th grade lowest quartile test results

1 as adjusted for funding purposes in the school years prior to 1999-  
2 2000, multiplied by 0.82. As the 6th grade test becomes available, it  
3 shall be phased into the 5-year average for these grades on a 1-year  
4 lag;

5 (iii) The district's full-time equivalent enrollment in grades 10-  
6 11 multiplied by the 5-year average 11th grade lowest quartile test  
7 results, multiplied by 0.82. As the 9th grade test becomes available,  
8 it shall be phased into the 5-year average for these grades on a 1-year  
9 lag;

10 (iv) If, in the prior school year, the district's percentage of  
11 October headcount enrollment in grades K-12 eligible for free and  
12 reduced price lunch exceeded the state average, subtract the state  
13 average percentage of students eligible for free and reduced price  
14 lunch from the district's percentage and multiply the result by the  
15 district's K-12 annual average full-time equivalent enrollment for the  
16 current school year multiplied by 22.3 percent; and

17 (v) In addition to amounts allocated under (d) of this subsection,  
18 for school districts in which the effective Title I Part A (basic  
19 program) increase is insufficient to cover the formula change in the  
20 multiplier from .92 to .82, a state allocation shall be provided that,  
21 when combined with the effective increase in federal Title I Part A  
22 (basic program) funds from the 2001-02 school year, is sufficient to  
23 cover this amount. The effective Title I Part A (basic program)  
24 increase is the current school year federal Title I Part A (basic  
25 program) allocation minus the 2001-02 school year federal Title I Part  
26 A (basic program) allocation, after the 2001-02 Title I Part A  
27 allocation has been inflated by three percent.

28 (2) The general fund--federal appropriation in this section is  
29 provided for Title I Part A allocations of the no child left behind act  
30 of 2001.

31 (3) A school district may carry over from one year to the next up  
32 to 10 percent of the general fund--state funds allocated under this  
33 program; however, carryover funds shall be expended for the learning  
34 assistance program.

35 **Sec. 515.** 2004 c 276 s 516 (uncodified) is amended to read as  
36 follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**  
2 **PROGRAM**

3	Student Achievement Fund--State	
4	Appropriation (FY 2004) . . . . .	\$214,107,000
5	Student Achievement Fund--State	
6	Appropriation (FY 2005) . . . . .	<del>(\$195,535,000)</del>
7		<u>\$195,512,000</u>
8	TOTAL APPROPRIATION . . . . .	<del>(\$409,642,000)</del>
9		<u>\$409,619,000</u>

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

12 (1) Funding for school district student achievement programs shall  
13 be allocated at a maximum rate of \$219.32 per FTE student for the 2003-  
14 04 school year and \$254.00 per FTE student for the 2004-05 school year.  
15 For the purposes of this section and in accordance with RCW 84.52.068,  
16 FTE student refers to the annual average full-time equivalent  
17 enrollment of the school district in grades kindergarten through twelve  
18 for the prior school year.

19 (2) The appropriation is allocated for the following uses as  
20 specified in RCW 28A.505.210:

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

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

26 (c) To provide extended learning opportunities to improve student  
27 academic achievement in grades K-12, including, but not limited to,  
28 extended school year, extended school day, before-and-after-school  
29 programs, special tutoring programs, weekend school programs, summer  
30 school, and all-day kindergarten;

31 (d) To provide additional professional development for educators  
32 including additional paid time for curriculum and lesson redesign and  
33 alignment, training to ensure that instruction is aligned with state  
34 standards and student needs, reimbursement for higher education costs  
35 related to enhancing teaching skills and knowledge, and mentoring  
36 programs to match teachers with skilled, master teachers. The funding  
37 shall not be used for salary increases or additional compensation for

1 existing teaching duties, but may be used for extended year and  
2 extended day teaching contracts;

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

5 (f) To provide improvements or additions to school building  
6 facilities which are directly related to the class size reductions and  
7 extended learning opportunities under (a) through (c) of this  
8 subsection (2).

9 (3) For the 2003-04 school year, the office of the superintendent  
10 of public instruction shall distribute ten percent of the school year  
11 allocation to districts each month for the months of September through  
12 June. For the 2004-05 school year, the superintendent of public  
13 instruction shall distribute the school year allocation according to  
14 the monthly apportionment schedule defined in RCW 28A.510.250.

15 NEW SECTION. **Sec. 516.** A new section is added to 2003 1st sp.s.  
16 c 25 (uncodified) to read as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION.** (1) Appropriations  
18 made in this act to the office of superintendent of public instruction  
19 shall initially be allotted as required by this act. Subsequent  
20 allotment modifications shall not include transfers of moneys between  
21 sections of this act, except as expressly provided in subsection (2) of  
22 this section.

23 (2) The appropriations to the office of superintendent of public  
24 instruction in this act shall be expended for the programs and amounts  
25 specified in this act. However, after May 1, 2005, unless specifically  
26 prohibited by this act and after approval by the director of financial  
27 management, the superintendent of public instruction may transfer state  
28 general fund appropriations for fiscal year 2005 among the following  
29 programs to meet the apportionment schedule for a specified formula in  
30 another of these programs: General apportionment; employee  
31 compensation adjustments; pupil transportation; special education  
32 programs; institutional education programs; transitional bilingual  
33 programs; and learning assistance programs.

34 (3) The director of financial management shall notify the

1 appropriate legislative fiscal committees in writing prior to approving  
2 any allotment modifications or transfers under this section.

(End of part)

PART VI  
HIGHER EDUCATION

Sec. 601. 2003 1st sp.s. c 25 s 617 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE BLIND**

General Fund--State Appropriation (FY 2004)	\$4,614,000
General Fund--State Appropriation (FY 2005)	<del>(\$4,641,000)</del>
	<u>\$4,656,000</u>
General Fund--Private/Local Appropriation	\$1,335,000
TOTAL APPROPRIATION	<del>(\$10,590,000)</del>
	<u>\$10,605,000</u>

(End of part)

PART VII  
SPECIAL APPROPRIATIONS

Sec. 701. 2004 c 276 s 701 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund--State Appropriation (FY 2004)	\$655,886,000
General Fund--State Appropriation (FY 2005)	<del>(( \$528,766,000 ))</del>
	<u>\$527,566,000</u>
Debt-Limit General Fund Bond Retirement Account--	
State Appropriation	\$17,300,000
State Building Construction Account--State	
Appropriation	<del>(( \$8,922,000 ))</del>
	<u>\$7,922,000</u>
Debt-Limit Reimbursable Bond Retirement Account--	
State Appropriation	\$2,587,000
State Taxable Building Construction Account--	
State Appropriation	\$465,000
Gardner-Evans Higher Education Construction Account--	
State Appropriation	\$2,087,000
TOTAL APPROPRIATION	<del>(( \$1,216,013,000 ))</del>
	<u>\$1,213,813,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2004 c 276 s 702 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE**

General Fund--State Appropriation (FY 2004)	\$26,394,000
General Fund--State Appropriation (FY 2005)	<del>(( \$24,805,000 ))</del>

1		<u>\$24,605,000</u>
2	Capitol Historic District Construction	
3	Account--State Appropriation . . . . .	\$323,000
4	Higher Education Construction Account--State	
5	Appropriation . . . . .	\$238,000
6	State Vehicle Parking Account--State	
7	Appropriation . . . . .	\$102,000
8	Nondebt-Limit Reimbursable Bond Retirement Account--	
9	State Appropriation . . . . .	(( <del>\$128,375,000</del> ))
10		<u>\$126,775,000</u>
11	TOTAL APPROPRIATION . . . . .	(( <del>\$180,237,000</del> ))
12		<u>\$178,437,000</u>

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

16       **Sec. 703.** 2004 c 276 s 703 (uncodified) is amended to read as  
17 follows:

18 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING**  
19 **BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

20	General Fund--State Appropriation (FY 2004) . . . . .	\$526,000
21	General Fund--State Appropriation (FY 2005) . . . . .	\$526,000
22	Higher Education Construction Account--State	
23	Appropriation . . . . .	\$35,000
24	State Building Construction Account--State	
25	Appropriation . . . . .	(( <del>\$2,083,000</del> ))
26		<u>\$1,083,000</u>
27	State Vehicle Parking Account--State	
28	Appropriation . . . . .	\$17,000
29	Capitol Historic District Construction	
30	Account--State Appropriation . . . . .	\$45,000
31	State Taxable Building Construction Account--	
32	State Appropriation . . . . .	\$60,000
33	Gardner-Evans Higher Education Construction Account--	
34	State Appropriation . . . . .	\$180,000
35	TOTAL APPROPRIATION . . . . .	(( <del>\$3,472,000</del> ))
36		<u>\$2,472,000</u>

1       **Sec. 704.** 2004 c 276 s 709 (uncodified) is amended to read as  
2 follows:

3       **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may  
4 be necessary, are appropriated from the general fund, unless otherwise  
5 indicated, for relief of various individuals, firms, and corporations  
6 for sundry claims. These appropriations are to be disbursed on  
7 vouchers approved by the director of the office of financial  
8 management, except as otherwise provided, as follows:

9       (1) Reimbursement of criminal defendants acquitted on the basis of  
10 self-defense, pursuant to RCW 9A.16.110:

- 11       (a) Kelly C. Schwartz, claim number SCJ 03-10 . . . . . \$18,250
- 12       (b) Clinton Johnston, claim number SCJ 04-02 . . . . . \$8,225
- 13       (c) Johnny Riley, claim number SCJ 04-05 . . . . . \$1,500
- 14       (d) Gregory Nichols, claim number SCJ 04-06 . . . . . \$3,995
- 15       (e) William Poll, claim number SCJ 04-07 . . . . . \$31,106
- 16       (f) John Obert, claim number SCJ 04-09 . . . . . \$15,957
- 17       (g) David McCown, claim number SCJ 04-10 . . . . . \$2,900
- 18       (h) Frank Leyendekker, claim number SCJ 05-01 . . . . . \$2,325
- 19       (i) Todd Richardson, claim number SCJ 05-02 . . . . . \$32,934
- 20       (j) Jason Fakih, claim number SCJ 05-03 . . . . . \$100,774

21       (2) Payment from the state wildlife account for damage to crops by  
22 wildlife, pursuant to RCW 77.36.050:

- 23       (a) Circle S Landscape Supplies, claim number
- 24 SCG 03-05 . . . . . \$49,380
- 25       (b) Marilyn Lund Farms, claim number SCG 03-08 . . . . . \$17,175
- 26       (c) Paul Gibbons, claim number SCG 03-09 . . . . . \$12,414
- 27       (d) Bud Hamilton, claim number SCG 03-10 . . . . . \$15,591
- 28       (e) Richard Anderson, claim number SCG 03-11 . . . . . \$75,933
- 29       (f) Neil Ice, claim number SCG 03-12 . . . . . \$73,474
- 30       (g) Carl Anderson, claim number SCG 03-13 . . . . . \$120,943
- 31       (h) Lafe Wilson, claim number SCG 04-02 . . . . . \$626
- 32       (i) Richard Anderson, claim number SCG 04-04 . . . . . \$28,998
- 33       (j) Circle S Landscape, claim number SCG-04-05 . . . . . \$20,000

34       NEW SECTION. **Sec. 705.** A new section is added to 2003 1st sp.s.  
35 c 25 (uncodified) to read as follows:

36 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PUBLIC SAFETY AND EDUCATION**

1    **ACCOUNT**

2    General Fund--State Appropriation (FY 2005) . . . . . \$9,000,000

3           The appropriation in this section is subject to the following  
4    conditions and limitations:    The appropriation in this section is  
5    provided solely for deposit in the public safety and education account.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2004 c 276 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS. For transfers in this section to the state general fund, pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer. The increase shall occur in the fiscal year in which the transfer occurs.

State Convention and Trade Center Account:	
For transfer to the state general fund . . . . .	\$10,000,000
County Sale/Use Tax Equalization Account:	
For transfer to the state general fund for	
fiscal year 2004 . . . . .	\$74,000
Financial Services Regulation Fund: For transfer	
to the state general fund at the beginning	
of fiscal year 2005 . . . . .	\$7,285,000
Municipal Sale/Use Tax Equalization Account:	
For transfer to the state general fund for	
fiscal year 2004 . . . . .	\$374,000
Asbestos Account: For transfer to the state	
general fund . . . . .	\$200,000
Electrical License Account: For transfer	
to the state general fund . . . . .	\$7,000,000
Local Toxics Control Account: For transfer	
to the state toxics control account . . . . .	\$4,059,000
Pressure Systems Safety Account: For transfer	
to the state general fund . . . . .	\$1,000,000
Health Services Account: For transfer	
to the water quality account . . . . .	\$8,182,000
State Treasurer's Service Account: For	
transfer to the general fund . . . . .	\$14,000,000
Public Works Assistance Account: For	
transfer to the drinking water	
assistance account . . . . .	\$8,387,000
Tobacco Settlement Account: For transfer	

1 to the health services account, in an  
2 amount not to exceed the actual balance  
3 of the tobacco settlement account . . . . . \$181,000,000  
4 Health Service Account: For transfer  
5 to the violence reduction and drug  
6 enforcement account . . . . . \$7,789,000  
7 Nisqually Earthquake Account: For transfer to  
8 the disaster response account . . . . . \$6,200,000  
9 Industrial Insurance Premium Refund Account:  
10 For transfer to the state general fund . . . . . \$577,000  
11 Public Service Revolving Account: For transfer  
12 to the state general fund . . . . . \$1,600,000  
13 State Forest Nursery Revolving Account: For transfer  
14 to the state general fund, \$250,000 for fiscal  
15 year 2004 and \$250,000 for fiscal year 2005 . . . . . \$500,000  
16 Flood Control Assistance Account: For transfer  
17 to the state general fund, \$1,350,000 for  
18 fiscal year 2004 and \$1,350,000 for fiscal  
19 year 2005 . . . . . \$2,700,000  
20 Water Quality Account: For transfer to the water  
21 pollution control account . . . . . (~~(\$14,034,513)~~)  
22 \$9,000,000  
23 General Fund: For transfer to the water quality  
24 account, \$3,870,000 for fiscal year 2004 and  
25 \$4,557,000 for fiscal year 2005 . . . . . \$8,427,000  
26 Insurance Commissioner's Regulatory Account:  
27 For transfer to the state general fund . . . . . \$2,500,000  
28 Health Services Account: For transfer to the  
29 tobacco prevention and control account . . . . . \$23,796,000  
30 From the Emergency Reserve Fund: For transfer  
31 to the state general fund, not to exceed  
32 the actual balance of the emergency reserve fund.  
33 This transfer is intended to liquidate the  
34 emergency reserve fund . . . . . \$58,100,000  
35 Department of Retirement Systems Expense Account:  
36 For transfer to the state general fund . . . . . \$5,500,000  
37 Woodstove Education and Enforcement Account:  
38 For transfer to the air pollution control account . . . . . \$600,000

1 Multimodal Transportation Account: For transfer  
2 to the air pollution control account for  
3 fiscal year 2004. The amount transferred  
4 shall be deposited into the segregated  
5 subaccount of the air pollution control  
6 account created in Engrossed Substitute  
7 Senate Bill No. 6072, chapter 264, Laws of  
8 2003. The state treasurer shall perform the  
9 transfer from the multimodal transportation  
10 account to the air pollution control subaccount  
11 on a quarterly basis . . . . . \$4,170,726  
12 Multimodal Transportation Account: For transfer  
13 to the vessel response account for fiscal  
14 year 2004 . . . . . \$1,213,704  
15 Resource Management Cost Account: For transfer  
16 to the contract harvesting revolving account . . . . . \$250,000  
17 Forest Development Account: For transfer to the  
18 contract harvesting revolving account . . . . . \$250,000  
19 Site Closure Account: For transfer to the  
20 state general fund . . . . . \$13,800,000  
21 Health Services Account: For transfer to the  
22 general fund--state for fiscal year 2005 . . . . . \$46,250,000  
23 K-20 Technology Account: For transfer to the state  
24 general fund . . . . . \$1,281  
25 Gambling Revolving Fund, Nontribal Sources: For  
26 transfer to the state general fund . . . . . \$2,500,000  
27 State Building Construction Account: For transfer  
28 to the conservation assistance revolving account . . . . . \$500,000  
29 Wildlife Account: For transfer to the special  
30 wildlife account, \$250,000 in fiscal year 2004  
31 and \$250,000 in fiscal year 2005 . . . . . \$500,000  
32 Education Technology Revolving Account: For transfer  
33 to the data processing revolving account . . . . . \$296,000  
34 Digital Government Revolving Account: For transfer  
35 to the data processing revolving account . . . . . \$154,000  
36 Election Account: For transfer  
37 to the state general fund . . . . . \$780,000  
38 Drinking Water Assistance Account: For transfer

1        to the drinking water assistance repayment  
2        account, not to exceed the actual loan  
3        repayments to this account . . . . . \$20,000,000

(End of part)

PART IX  
MISCELLANEOUS

1  
2  
3       **Sec. 901.** RCW 66.16.010 and 2003 1st sp.s. c 25 s 928 are each  
4 amended to read as follows:

5       (1) There shall be established at such places throughout the state  
6 as the liquor control board, constituted under this title, shall deem  
7 advisable, stores to be known as "state liquor stores," for the sale of  
8 liquor in accordance with the provisions of this title and the  
9 regulations: PROVIDED, That the prices of all liquor shall be fixed by  
10 the board from time to time so that the net annual revenue received by  
11 the board therefrom shall not exceed thirty-five percent. Effective no  
12 later than September 1, 2003, the liquor control board shall add an  
13 equivalent surcharge of \$0.42 per liter on all retail sales of spirits,  
14 excluding licensee, military, and tribal sales. The intent of this  
15 surcharge is to raise ~~(((\$14,000,000 in additional))~~ revenue for the  
16 general fund-state ~~((revenue))~~ for the 2003-2005 biennium. ~~((To the~~  
17 ~~extent that a lesser surcharge is sufficient to raise \$14,000,000, the~~  
18 ~~board may reduce the amount of the surcharge. The board shall remove~~  
19 ~~the surcharge once it generates \$14,000,000, but no later than June 30,~~  
20 ~~2005.))~~

21       (2) The liquor control board may, from time to time, fix the  
22 special price at which pure ethyl alcohol may be sold to physicians and  
23 dentists and institutions regularly conducted as hospitals, for use or  
24 consumption only in such hospitals; and may also fix the special price  
25 at which pure ethyl alcohol may be sold to schools, colleges and  
26 universities within the state for use for scientific purposes.  
27 Regularly conducted hospitals may have right to purchase pure ethyl  
28 alcohol on a federal permit.

29       (3) The liquor control board may also fix the special price at  
30 which pure ethyl alcohol may be sold to any department, branch or  
31 institution of the state of Washington, federal government, or to any  
32 person engaged in a manufacturing or industrial business or in  
33 scientific pursuits requiring alcohol for use therein.

34       (4) The liquor control board may also fix a special price at which  
35 pure ethyl alcohol may be sold to any private individual, and shall

1 make regulations governing such sale of alcohol to private individuals  
2 as shall promote, as nearly as may be, the minimum purchase of such  
3 alcohol by such persons.

4 NEW SECTION. **Sec. 902.** 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. 903.** This act is necessary for the immediate  
9 preservation of the public peace, health, or safety, or support of the  
10 state government and its existing public institutions, and takes effect  
11 immediately.

(End of part)

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