(SUBSTITUTED FOR - SEE 4TH SUB)

Declares an intent to create incentives for local government investments in cost-effective intervention services that reduce crime by reimbursing local governments with a portion of the cost savings that accrue to the state as the result of local investments in such services.

Directs the department of community, trade, and economic development to establish a reinvesting in youth program that awards grants to counties for implementing research-based early intervention services that target juvenile justice-involved youth and reduce crime, subject to the availability of amounts appropriated for this specific purpose.

Provides that, effective July 1, 2005, and continuing through June 30, 2007, a reinvesting in youth pilot program shall be established. The pilot program will test methods for reinvestment of state savings that result from local investments in evidenced-based services for juvenile justice-involved youth.

Provides that participation in the pilot program shall be limited to three counties or groups of counties including at least one charter county with a population of over five hundred thousand residents and at least one county or group of counties with a combined population of three hundred thousand residents or less. Effective July 1, 2007, all counties shall become eligible to apply for participation in the program.

Provides that the department of community, trade, and economic development shall contract with the department of health social and services juvenile rehabilitation administration for the establishment of a state quality assurance program. The juvenile rehabilitation administration shall monitor the implementation of intervention programs reimbursed pursuant to this act and shall evaluate adherence to program design. The juvenile rehabilitation administration shall report any failures to comply with its quality assurance standards to the department of community, trade, and economic development.

Requires the Washington state institute for public policy to estimate the costs and benefits resulting from the implementation of the reinvesting in youth program and provide a report to the appropriate committees of the legislature, the governor, and to the department of community, trade, and economic development on December 1, 2007, and every four years thereafter.