BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2882.3/03 3rd draft
ATTY/TYPIST: LL:seg

BRIEF DESCRIPTION:
Strike everything after the enacting clause and insert the following:

"PART I
GENERAL GOVERNMENT

NEW SECTION. Sec. 101. FOR THE HOUSE OF REPRESENTATIVES
General Fund--State Appropriation (FY 2004) .......... $28,295,000
General Fund--State Appropriation (FY 2005) .......... $28,269,000
Department of Retirement Systems Expense Account--
    State Appropriation ......................................... $45,000
    TOTAL APPROPRIATION ...................................... $56,609,000

The appropriations in this section are subject to the following conditions and limitations:
    (1) $25,000 of the general fund--state appropriation is provided for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.
    (2) $150,000 of the general fund--state appropriation for fiscal year 2004 is provided for the joint select committee on fiscal stability.
        (a) The joint select committee on fiscal stability is created, consisting of twelve members as follows: Three members shall be appointed by the leader of each of the two largest caucuses of the senate and the two largest caucuses of the house of representatives. The governor shall appoint an additional person to serve as the chair of the committee. The chair may vote on procedural questions, but may not vote on substantive questions concerning the research or recommendations of the committee.
        (b) The committee shall develop recommendations for specific statutory and constitutional provisions to establish or revise the following:
(i) Spending limits;
(ii) Tax limits;
(iii) Emergency reserve accounts; and
(iv) Tax reforms necessary to: Create a sustainable system of state and local finance; improve the fairness of state and local taxation; and improve the competitiveness of Washington's economy.

(c) The committee shall conduct a series of public hearings on these topics and its proposed recommendations. The hearings shall be held in locations across the state and structured to encourage full participation by persons who represent a balance of perspectives and constituencies. The committee shall submit its findings and recommendations in a report to the fiscal committees of the legislature by January 1, 2004.

(d) The committee shall use legislative facilities and staff from senate committee services and the office of program research. The department of revenue shall provide necessary support and information to the committee. The chair of the committee shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. All expenses of the committee, including travel, shall be paid jointly by the senate and the house of representatives.

NEW SECTION. Sec. 102. FOR THE SENATE
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . $22,145,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . $23,169,000
Department of Retirement Systems Expense Account--
State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $45,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . $45,359,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $25,000 of the general fund--state appropriation is provided for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.
(2) $150,000 of the general fund--state appropriation for fiscal year 2004 is provided for the joint select committee on fiscal stability.

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

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

(i) Spending limits;
(ii) Tax limits;
(iii) Emergency reserve accounts; and
(iv) Tax reforms necessary to: Create a sustainable system of state and local finance; improve the fairness of state and local taxation; and improve the competitiveness of Washington's economy.

(c) The committee shall conduct a series of public hearings on these topics and its proposed recommendations. The hearings shall be held in locations across the state and structured to encourage full participation by persons who represent a balance of perspectives and constituencies. The committee shall submit its findings and recommendations in a report to the fiscal committees of the legislature by January 1, 2004.

(d) The committee shall use legislative facilities and staff from senate committee services and the office of program research. The department of revenue shall provide necessary support and information to the committee. The chair of the committee shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. All expenses of the committee, including travel, shall be paid jointly by the senate and the house of representatives.

NEW SECTION. Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . $2,120,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . $2,230,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . $4,350,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $490,000 of the general fund--state appropriation for fiscal year 2004 and $510,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of Engrossed Substitute House Bill No. 1053 (government accountability). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(2) Amounts provided in this section are sufficient to implement the provisions of Substitute House Bill No. 1013 (UTC performance audit), Substitute House Bill No. 1041 (mental health advance directives), Engrossed Substitute House Bill No. 1367 (government accountability), and Engrossed Substitute House Bill No. 2112 (alternative public works study).

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

General Fund--State Appropriation (FY 2004) .......... $1,629,000
General Fund--State Appropriation (FY 2005) .......... $1,773,000
TOTAL APPROPRIATION ................. $3,402,000

NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY

Department of Retirement Systems Expense Account--
State Appropriation ..................... $2,590,000

NEW SECTION. Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2004) .......... $6,661,000
General Fund--State Appropriation (FY 2005) .......... $6,661,000
TOTAL APPROPRIATION ................. $13,322,000

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

General Fund--State Appropriation (FY 2004) .......... $3,899,000
General Fund--State Appropriation (FY 2005) .......... $4,003,000
TOTAL APPROPRIATION ................. $7,902,000

The appropriations in this section are subject to the following conditions and limitations: $42,100 of the general fund fiscal year 2004 appropriation and $43,800 of the general fund fiscal year 2005
appropriation are provided solely for the uniform legislation commission.

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

**NEW SECTION. Sec. 109. FOR THE SUPREME COURT**
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $5,457,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $5,660,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $11,117,000

**NEW SECTION. Sec. 110. FOR THE LAW LIBRARY**
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $2,055,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $2,059,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $4,114,000

**NEW SECTION. Sec. 111. FOR THE COURT OF APPEALS**
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $12,533,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $12,770,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $25,303,000

**NEW SECTION. Sec. 112. FOR THE COMMISSION ON JUDICIAL CONDUCT**
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $909,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $911,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $1,820,000

**NEW SECTION. Sec. 113. FOR THE ADMINISTRATOR FOR THE COURTS**
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $18,454,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $18,321,000
Public Safety and Education Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $25,507,000
Civil Legal Services Account--State Appropriation . . . $16,902,000
Judicial Information Systems Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $27,955,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . $107,139,000

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

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

(2) $1,813,000 of the general fund--state appropriation for fiscal year 2004 and $1,562,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of Senate Bill No. 5990 (financial obligations). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse. Of the amounts provided in this subsection:

  (a) $813,000 of the general fund--state appropriation for fiscal year 2004 and $762,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for billing and related costs for the office of the administrator for the courts; and

  (b) $1,000,000 of the general fund--state appropriation for fiscal year 2004 and $800,000 of the general fund--state appropriation of $800,000 for fiscal year 2005 are provided solely for distribution to the county clerks for the collection of legal financial obligations. The funding shall be distributed by the office of the administrator for the courts to the county clerks, in accordance with the funding formula determined by the Washington association of county officials pursuant to Senate Bill No. 5990.

(3) $9,261,000 of the civil legal services account--state appropriation is provided for civil legal services.

(4) $7,641,000 of the civil legal services account--state appropriation is provided solely for civil legal services. If Substitute House Bill No. 1744 (court fees) is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(5) $278,000 of the general fund--state appropriation for fiscal year 2004, $285,000 of the general fund--state appropriation for fiscal
1 year 2005, and $263,000 of the public safety and education account
2 appropriation are provided solely for the workload associated with tax
3 warrants and other state cases filed in Thurston county.
4 (6) $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 (7) $750,000 of the public safety and education account--state
19 appropriation is provided solely for judicial program enhancements.
20 Within the funding provided in this subsection, the administrator for
21 the courts, in consultation with the supreme court, shall determine the
22 program or programs to receive an enhancement. Among the programs that
23 may be funded from the amount provided in this subsection are unified
24 family courts.
25 (8) $12,572,000 of the judicial information systems account--state
26 appropriation is provided solely for improvements and enhancements to
27 the judicial information system. This funding shall only be expended
28 after the office of the administrator for the courts certifies to the
29 office of financial management that there will be at least a $1,000,000
30 ending fund balance in the judicial information systems account at the
31 end of the 2003-05 biennium.
32 NEW SECTION. Sec. 114. FOR THE OFFICE OF PUBLIC DEFENSE
33 General Fund--State Appropriation (FY 2004) . . . . . . . . . . $666,000
34 General Fund--State Appropriation (FY 2005) . . . . . . . . . . $884,000
35 Public Safety and Education Account--State
36 Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $12,609,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $14,159,000

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

(1) $204,000 of the public safety and education account appropriation is provided solely to increase the reimbursement for private attorneys providing constitutionally mandated indigent defense in nondeath penalty cases.

(2) $51,000 of the public safety and education account appropriation is provided solely for the implementation of chapter 303, Laws of 1999 (court funding).

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

(4) $50,000 of the public safety and education account—state appropriation is provided solely for the evaluation required in chapter 92, Laws of 2000 (DNA testing).

(5) $235,000 of the public safety and education account—state appropriation is provided solely for the office of public defense.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $4,014,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $3,917,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $1,144,000
Water Quality Account--State Appropriation . . . . . . . . . . . . $3,872,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $12,947,000

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

(1) $3,872,000 of the water quality account appropriation and $1,144,000 of the general fund—federal appropriation are provided solely for the Puget Sound water quality action team to implement the Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

(2) $100,000 of the general fund—state appropriation for fiscal year 2004 is provided solely for a consultant to support the work of the early learning and child care task force created in section 501(1)(d) of this act.
NEW SECTION. Sec. 116. FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2004) .................. $561,000
General Fund--State Appropriation (FY 2005) .................. $562,000
TOTAL APPROPRIATION ........................................... $1,123,000

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

General Fund--State Appropriation (FY 2004) .................. $1,878,000
General Fund--State Appropriation (FY 2005) .................. $1,860,000
TOTAL APPROPRIATION ........................................... $3,738,000

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

General Fund--State Appropriation (FY 2004) .................. $23,436,000
General Fund--State Appropriation (FY 2005) .................. $17,513,000
General Fund--Federal Appropriation ............................ $6,977,000
Archives and Records Management Account--State Appropriation .......................... $8,549,000
Department of Personnel Service Account--State Appropriation .......................... $717,000
Election Account--Federal Appropriation ........................ $13,121,000
Local Government Archives Account--State Appropriation .......................... $2,345,000
TOTAL APPROPRIATION ........................................... $72,658,000

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

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

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

(3) $125,000 of the general fund--state appropriation for fiscal year 2004 is provided solely to reimburse counties for the state's share of primary and general election costs.
year 2004 and $118,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for legal advertising of state measures under RCW 29.27.072.

(4)(a) $1,805,004 of the general fund--state appropriation for fiscal year 2004 and $1,830,772 of the general fund--state appropriation for fiscal year 2005 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2003-05 biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in (a) and (b) of this subsection have been satisfactorily documented.

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

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

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

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

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

(iii) Providing any: (A) Gift; (B) honoraria; or (C) travel, lodging, meals, or entertainment to a public officer or employee.
(5) $867,000 of the archives and records management account--state appropriation is provided solely for operation of the central microfilming bureau under RCW 40.14.020(8).

(6) $6,038,000 of the general fund--state appropriation for fiscal year 2004 is provided solely to reimburse the counties for the state's share of the cost of conducting the presidential primary.

(7) The entire elections account appropriation is provided solely for the implementation of Engrossed House Bill No. 1161 (help America vote act). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $227,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $238,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $465,000

NEW SECTION. Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $192,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $192,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $384,000

NEW SECTION. Sec. 121. FOR THE STATE TREASURER
State Treasurer's Service Account--State Appropriation . . . . . . . . . . $13,215,000

NEW SECTION. Sec. 122. FOR THE STATE AUDITOR
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $1,310,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $1,511,000
State Auditing Services Revolving Account--State Appropriation . . . . . . . . . . $12,892,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $15,713,000

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

(1) Audits of school districts by the division of municipal corporations shall include findings regarding the accuracy of: (a)
Student enrollment data; and (b) the experience and education of the district's certified instructional staff, as reported to the superintendent of public instruction for allocation of state funding. (2) $706,000 of the general fund--state appropriation for fiscal year 2004 and $707,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested. (3) $500,000 of the general fund--state appropriation for fiscal year 2004 and $700,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Substitute House Bill No. 1053 (government accountability). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

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

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<th>Description</th>
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<td>General Fund--State Appropriation (FY 2004)</td>
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<td>General Fund--State Appropriation (FY 2005)</td>
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<td><strong>TOTAL APPROPRIATION</strong></td>
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**NEW SECTION.** Sec. 124. FOR THE ATTORNEY GENERAL

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<td>General Fund--State Appropriation (FY 2004)</td>
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<td>General Fund--State Appropriation (FY 2005)</td>
<td>$4,224,000</td>
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<td>General Fund--Federal Appropriation</td>
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<td>Public Safety and Education Account--State Appropriation</td>
<td>$1,824,000</td>
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<td>Tobacco Prevention and Control Account--State Appropriation</td>
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<td>New Motor Vehicle Arbitration Account--State Appropriation</td>
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<td>Legal Services Revolving Account--State Appropriation</td>
<td>$166,411,000</td>
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TOTAL APPROPRIATION .............. $180,938,000

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

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

(2) The attorney general and the office of financial management shall modify the attorney general billing system to meet the needs of user agencies for greater predictability, timeliness, and explanation of how legal services are being used by the agency. The attorney general shall provide the following information each month to agencies receiving legal services: (a) The full-time equivalent attorney services provided for the month; (b) the full-time equivalent investigator services provided for the month; (c) the full-time equivalent paralegal services provided for the month; and (d) direct legal costs, such as filing and docket fees, charged to the agency for the month.

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

(4) $240,000 of the legal services revolving account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1803 (recreation and conservation trust). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2004) ............. $639,000
General Fund--State Appropriation (FY 2005) ............. $640,000
TOTAL APPROPRIATION .................. $1,279,000
### NEW SECTION. Sec. 126. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

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<td>$59,500,000</td>
<td>$198,410,000</td>
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The appropriations in this section are subject to the following conditions and limitations:

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

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

(3) $10,180,797 of the general fund--federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in state fiscal year 2004 as follows:
   (a) $3,551,972 to local units of government to continue multijurisdictional narcotics task forces;
   (b) $611,177 to the department to continue the drug prosecution assistance program in support of multijurisdictional narcotics task forces;
   (c) $1,343,603 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;
   (d) $197,154 to the department for grants to support tribal law enforcement needs;
   (e) $976,897 to the department of social and health services, division of alcohol and substance abuse, for drug courts in eastern and western Washington;
   (f) $298,246 to the department for training and technical assistance of public defenders representing clients with special needs;
   (g) $687,155 to the department to continue domestic violence legal advocacy;
   (h) $890,150 to the department of social and health services, juvenile rehabilitation administration, to continue youth violence prevention and intervention projects;
   (i) $60,000 to the department for community-based advocacy services to victims of violent crime, other than sexual assault and domestic violence;
   (j) $89,705 to the department to continue the governor's council on substance abuse;
   (k) $97,591 to the department to continue evaluation of Byrne formula grant programs;
(1) $572,919 to the office of financial management for criminal history records improvement; and

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

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

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

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

(6) $150,000 of the general fund--state appropriation for fiscal year 2004 and $150,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the business retention and expansion program to fund contracts with locally based development organizations for local business and job retention activities.

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

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

(9) $697,000 of the community economic development account appropriation is provided solely for support of the developmental disabilities endowment governing board and costs of the endowment program. The governing board may use appropriations to implement a sliding-scale fee waiver for families earning below 150 percent of the state median family income.

(10) $800,000 of the general fund--federal appropriation and $6,000 of the lead paint account--state appropriation are provided solely to implement Second Substitute House Bill No. 1913 (lead-based paint). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(11) Within amounts provided in this section, sufficient funding is provided to implement Second Substitute House Bill No. 1973 (promoting tourism).

(12) $49,000 of the general fund--state appropriation for fiscal year 2004 and $26,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Engrossed Second Substitute House Bill No. 1338 (municipal water rights). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(13) $60,000 of the general fund--state appropriation for fiscal year 2004 and $60,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the community services block grant program for pass-through to community action agencies.

(14) $26,862,000 of the general fund--state appropriation for fiscal year 2004 and $26,862,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for providing early childhood education assistance.

(15) Within the amounts appropriated in this section, funding is provided for Washington state dues for the Pacific northwest economic region.
(16) $698,000 of the general fund--state appropriation for fiscal year 2004, $698,000 of the general fund--state appropriation for fiscal year 2005, and $1,101,000 of the administrative contingency account appropriation are provided solely for contracting with associate development organizations to maintain existing programs.

(17) $600,000 of the public safety and education account appropriation is provided solely for sexual assault prevention and treatment programs.

(18) $65,000 of the general fund--state appropriation for fiscal year 2004 and $65,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to the funds provided in this subsection.

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

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

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

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $518,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $519,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . $1,037,000
NEW SECTION.  Sec. 128. FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2004) ........ $14,219,000
General Fund--State Appropriation (FY 2005) ........ $13,540,000
General Fund--Federal Appropriation .................. $23,508,000
Violence Reduction and Drug Enforcement
    Account--State Appropriation ...................... $242,000
State Auditing Services Revolving
    Account--State Appropriation ...................... $25,000
    TOTAL APPROPRIATION .......................... $51,534,000

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

1. $800,000 of the general fund--state appropriation for fiscal year 2004 and $400,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to conduct a comprehensive study of the Washington education finance system, including examination of alternative teacher compensation models.
2. The study shall, at a minimum:
   a) Compare Washington's common school funding system with those in other states that are beginning to link finance systems with education reform and expected student learning outcomes;
   b) Review the role of state and local funding and levy equalization policies in the Washington common school finance system, building upon the 2002 joint task force on local effort assistance report;
   c) Design alternative common school finance systems for Washington, with consideration of the following principles:
      i) Aligning the finance system with the policy expectations and goals established under education reform to provide all students the opportunity to achieve state standards;
      ii) Recognizing staffing as a key component of school district costs, including the number of and compensation for certificated instructional staff, certificated administrative staff, and classified staff;
      iii) Providing stable and predictable funding for school districts;
      iv) Supporting local flexibility in program delivery; and
(v) Providing accountability for taxpayers focused on student learning outcomes;

(d) Design one or more alternative compensation models that:
   (i) Attract and retain high performing teachers in all Washington schools;
   (ii) Reward teachers for improving their skills and knowledge in a manner that translates into improved student learning;
   (iii) Recognize participation in teacher mentoring programs; and
   (iv) Recognize different career stages for teachers and the leadership roles they perform in schools;

(e) Consider the impacts of inflation and cost-of-living adjustments; and

(f) Design a prekindergarten finance system to maximize school readiness and provide smooth transitions for children into kindergarten.

(3)(a) A twenty-three member steering committee shall direct the office of financial management in the system review and the development of alternatives and recommendations.

(b) The governor and the superintendent of public instruction shall jointly appoint the following members of the steering committee: A school board director, two school district administrators, a school principal, two certificated instructional staff, and a classified school employee. When making appointments, the governor and the superintendent shall consider expertise in K-12 financing and regional representation on the committee, including the need for urban, rural, and suburban district perspectives.

(c) The governor shall appoint the following members of the steering committee: An early childhood educator, a parent, a business executive, and three public members.

(d) The steering committee shall include the superintendent of public instruction, or the superintendent's designee.

(e) The steering committee shall also include eight legislators: The speaker of the house of representatives or a designee, the senate majority leader or a designee, the house of representatives and senate minority leaders or designees, and one additional member appointed by each major caucus of the house of representatives and the senate.
(f) The governor, or the governor's appointee, shall chair the committee.

(g) Appointments to the steering committee shall be completed within thirty days of the effective date of this section.

(h) The committee may form an executive committee, create subcommittees, designate alternative representatives, and define other procedures, as needed, for the operation of the committee.

(i) Legislative members of the steering committee shall be reimbursed for travel expenses as provided in RCW 44.04.120. Other members of the steering committee shall, and members of subcommittees may, be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(4) The office of the superintendent of public instruction, the academic achievement and accountability commission, the state board of education, the professional educator standards board, the legislative evaluation and accountability program committee, senate committee services, and the office of program research shall provide data and technical expertise to support the study.

(5) The office of financial management shall report initial findings and recommendations of the committee to the legislature, including the education and fiscal committees of the house of representatives and the senate, by June 30, 2004. A final report shall be provided to the education and fiscal committees of the house of representatives and the senate by December 20, 2004.

(6) $127,000 of the general fund--state appropriation for fiscal year 2004 and $122,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Second Substitute Senate Bill No. 5694 (integrated permit system). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 129. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS
Administrative Hearings Revolving Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . $24,728,000

NEW SECTION. Sec. 130. FOR THE DEPARTMENT OF PERSONNEL
Department of Personnel Service Account--State
Appropriation ........................................... $16,355,000

Higher Education Personnel Services Account--State
  Appropriation ........................................... $1,601,000
  TOTAL APPROPRIATION ................................... $17,956,000

The appropriations in this section are subject to the following conditions and limitations: The department shall coordinate with the governor's office of Indian affairs on providing one-day government to government training sessions for federal, state, local, and tribal government employees. The training sessions must cover tribal historical perspectives, legal issues, tribal sovereignty, and tribal governments. Costs of the training sessions shall be recouped through a fee charged to the participants of each session.

NEW SECTION. Sec. 131. FOR THE WASHINGTON STATE LOTTERY
Lottery Administrative Account--State
  Appropriation ........................................... $27,666,000

NEW SECTION. Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS
General Fund--State Appropriation (FY 2004) .............. $201,000
General Fund--State Appropriation (FY 2005) .............. $201,000
  TOTAL APPROPRIATION ................................... $402,000

NEW SECTION. Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS
General Fund--State Appropriation (FY 2004) .............. $196,000
General Fund--State Appropriation (FY 2005) .............. $197,000
  TOTAL APPROPRIATION ................................... $393,000

NEW SECTION. Sec. 134. FOR THE PERSONNEL APPEALS BOARD
Department of Personnel Service Account--State
  Appropriation ........................................... $1,729,000

NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS
Dependent Care Administrative Account--State
  Appropriation ........................................... $386,000
Department of Retirement Systems Expense Account--
State Appropriation ................................ $45,567,000
TOTAL APPROPRIATION ........................... $45,953,000

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

(1) $31,000 of the retirement systems expense account appropriation is provided solely to implement House Bill No. 1519 (unreduced duty death survivor benefits). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(2) $1,678,000 of the retirement systems expense account appropriation is provided solely to implement House Bill No. 2197 (law enforcement officers' and fire fighters' plan 2 board implementation). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(3) $2,083,000 of the retirement systems expense account appropriation is provided solely for the support of the information systems project known as the electronic document image management system.

(4) $124,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1203 (substitute employees' retirement credit). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(5) $77,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Senate Bill No. 5100 (fallen hero survivor benefits). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(6) $21,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1206 (plan 3 contributions). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(7) $30,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1207 (employee death benefits). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(8) $324,000 of the department of retirement systems expense
account--state appropriation is provided solely to implement Substitute
House Bill No. 1829 (retire-rehire reform). If the bill is not enacted
by June 30, 2003, the amount provided in this subsection shall lapse.

(9) $125,000 of the department of retirement systems expense
account--state appropriation is provided solely to implement Substitute
House Bill No. 1202 (emergency medical technicians' retirement). If
the bill is not enacted by June 30, 2003, the amount provided in this
subsection shall lapse.

(10) $358,000 of the department of retirement systems expense
account--state appropriation is provided solely to implement Engrossed
Substitute House Bill No. 2180 (early retirement incentives). If the
bill is not enacted by June 30, 2003, the amount provided in this
subsection shall lapse.

NEW SECTION. Sec. 136. FOR THE STATE INVESTMENT BOARD

General Fund--State Appropriation (FY 2004) . . . . . . . $100,000
State Investment Board Expense Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $13,320,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . $13,420,000

The appropriation in this section is subject to the following
conditions and limitations: $100,000 of the general fund--state
appropriation for fiscal year 2004 is provided solely for a contract
with a real estate investment consultant to prepare options and
recommended investment strategies for surplus property at the five
state residential habilitation centers, where the proceeds will be
deposited into an account to fund services for developmentally disabled
clients. In developing the recommended strategies for the Fircrest
school property, the contractor shall identify an investment strategy
that will produce a long-term investment return on the property,
without sale of the land. The report shall be submitted to the
appropriate committees of the legislature by December 1, 2003.

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

General Fund--State Appropriation (FY 2004) . . . . . . $79,688,000
General Fund--State Appropriation (FY 2005) . . . . . . $79,257,000
Timber Tax Distribution Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $5,215,000
Waste Education/Recycling/Litter Control--State
Appropriation ........................................ $101,000

State Toxics Control Account--State
Appropriation ........................................ $67,000

Oil Spill Administration Account--State
Appropriation ........................................ $14,000
TOTAL APPROPRIATION ............................. $164,342,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $93,000 of the general fund--state appropriation for fiscal year 2004 and $210,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement House Bill No. 1863 (implementation of the streamlined sales tax agreement). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.
(2) $104,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for the implementation of Engrossed House Bill No. 2030 (B&O tax uniformity). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 138. FOR THE BOARD OF TAX APPEALS
General Fund--State Appropriation (FY 2004) ........... $1,159,000
General Fund--State Appropriation (FY 2005) ........... $1,006,000
TOTAL APPROPRIATION ............................. $2,165,000

NEW SECTION. Sec. 139. FOR THE MUNICIPAL RESEARCH COUNCIL
City and Town Research Services Account--
State Appropriation ................................... $3,852,000
County Research Services Account--State
Appropriation .......................................... $769,000
TOTAL APPROPRIATION ............................. $4,621,000

NEW SECTION. Sec. 140. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES
OMWBE Enterprises Account--State
Appropriation ........................................ $1,994,000
The appropriation in this section is subject to the following conditions and limitations:

(1) The office's revolving fund charges to state agencies may not exceed $1,282,000.

(2) During the 2003-05 biennium, the office of minority and women's business enterprises may receive gifts, grants, or endowments from public or private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the office of minority and women's business enterprises and spend gifts, grants, or endowments or income from the public or private sources according to their terms, unless the receipt of the gifts, grants, or endowments violates RCW 42.17.710.

(3) During fiscal year 2004, the office may raise fees in excess of the fiscal growth factor.

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

General Fund--State Appropriation (FY 2004) .................. $223,000
General Fund--State Appropriation (FY 2005) .................. $305,000
General Fund--Federal Appropriation ......................... $3,217,000
General Administration Services Account--State
  Appropriation .......................................................... $38,030,000
  TOTAL APPROPRIATION ............................................. $41,775,000

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

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

NEW SECTION. Sec. 143. FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation ......................... $635,000
Insurance Commissioners Regulatory Account--State
  Appropriation .......................................................... $33,008,000
  TOTAL APPROPRIATION ............................................. $33,643,000

The appropriations in this section are subject to the following conditions and limitations: $557,000 of the insurance commissioner's
regulatory account--state appropriation is provided solely for a Health Care Access Options Working Group.

(1) The following members of the working group shall be appointed jointly by the speaker of the house of representatives and the president of the senate, in consultation with relevant organizations: Representatives of major state corporations; small businesses; health care consumers; organized labor; health insurance carriers; and health care providers, including a hospital representative, a licensed physician, and a rural health care provider. The insurance commissioner shall serve as the cochair of the working group and shall be responsible for coordinating its administrative and ministerial duties. Four members shall be selected to represent the legislature, to be chosen by each of the four caucuses. The secretary of the department of social and health services, the secretary of the department of health, and the administrator of the Washington state health care authority shall serve as ex officio members of the working group. One of the consumer representatives shall serve as the cochair of the working group, to be elected by the members of the working group.

(2) The health care access options working group shall examine the privately and publicly funded health care insurance system in the state of Washington and develop recommendations for its improvement. Recommendations shall address appropriate levels and delivery of health services in Washington, and access to health services in underserved areas of Washington. In preparing its recommendations the working group shall: Review health insurance laws in other states that are providing greater choice, have more insurance carriers offering health insurance, and greater price flexibility as compared to Washington state; seek input from a broad range of health care stakeholders and the public; seek grant funds for a community meeting process, and coordinate its efforts with similar ongoing community processes; and review the recommendations of previous health care system analyses. The working group shall report its findings and recommendations to the legislature and the governor no later than January 1, 2005.

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

Certified Public Accountants' Account--State
The appropriation in this section is subject to the following conditions and limitations: $260,000 of the certified public accountants' account appropriation is provided solely for the implementation of Substitute House Bill No. 1211 (public accountancy act). If the bill is not enacted by June 30, 2003, this amount shall lapse.

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

Death Investigations Account--State

Appropriation $274,000

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

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

Horse Racing Commission Account--State

Appropriation $4,621,000

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

General Fund--State Appropriation (FY 2004) $1,459,000
General Fund--State Appropriation (FY 2005) $1,460,000
Liquor Control Board Construction and Maintenance Account--State Appropriation $5,717,000
Liquor Revolving Account--State

Appropriation $134,274,000

TOTAL APPROPRIATION $142,910,000

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

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

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

NEW SECTION. Sec. 148. FOR THE UTILITIES AND TRANSPORTATION
COMMISSION
Public Service Revolving Account--State
   Appropriation ........................................ $26,611,000
Pipeline Safety Account--State
   Appropriation ....................................... $2,809,000
Pipeline Safety Account--Federal
   Appropriation ....................................... $1,084,000
   TOTAL APPROPRIATION ............................. $30,504,000

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

(1) The commission shall report back to the appropriate policy
committees of the legislature on July 1st of 2003 and 2004 a list of
authorized travel.

(2) Consistent with the purposes of RCW 80.01.080, the commission
may accept reimbursement for travel by its employees to participate in
multistate regulatory matters.

(3) $135,000 of the public services revolving account appropriation
and $15,000 of the pipeline safety account--state appropriation are
provided solely for the implementation of the commission's financial
systems project. If final approval for the project is not granted by
the office of financial management, the amounts provided in this
subsection shall lapse.

(4) $200,000 of the public services revolving account appropriation
is provided solely for an interagency transfer to the joint legislative
audit and review committee for the implementation of Substitute House
Bill No. 1013 (UTC performance audit). If the bill is not enacted by
June 30, 2003, the amount provided in this subsection shall lapse.
NEW SECTION. Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS
Volunteer Firefighters' Relief and Pension
Administrative Account--State
Appropriation .................................................. $699,000

NEW SECTION. Sec. 150. FOR THE MILITARY DEPARTMENT
General Fund--State Appropriation (FY 2004) .................. $8,581,000
General Fund--State Appropriation (FY 2005) .................. $8,318,000
General Fund--Federal Appropriation .......................... $82,112,000
General Fund--Private/Local Appropriation ..................... $371,000
Enhanced 911 Account--State Appropriation ..................... $33,959,000
Disaster Response Account--State Appropriation ............... $190,000
Worker and Community Right to Know Fund--State
Appropriation .................................................. $290,000
Nisqually Earthquake Account--State
Appropriation .................................................. $13,129,000
Nisqually Earthquake Account--Federal
Appropriation .................................................. $48,726,000
TOTAL APPROPRIATION ......................................... $195,676,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $100,000 of the general fund--state fiscal year 2004 appropriation and $100,000 of the general fund--state fiscal year 2005 appropriation are provided solely for implementation of the conditional scholarship program pursuant to chapter 28B.103 RCW.
(2) $35,000 of the general fund--state fiscal year 2004 appropriation and $35,000 of the general fund--state fiscal year 2005 appropriation are provided solely for the north county emergency medical service.
(3) $190,000 of the disaster response account--state appropriation is provided solely to develop and implement a disaster grant management system. The military department shall also submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c)
the projected fund balance at the end of the 2003-05 biennium based on
current revenue and expenditure patterns.

(4) $10,129,000 of the Nisqually earthquake account--state
appropriation and $48,726,000 of the Nisqually earthquake account--
federal appropriation are provided solely for response and recovery
costs associated with the February 28, 2001, earthquake. The military
department shall submit a report quarterly to the office of financial
management and the legislative fiscal committees detailing earthquake
recovery costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual
expenditures; (d) estimates of total remaining costs to be paid; and
(e) estimates of future payments by biennium. This information shall
be displayed by fund, by type of assistance, and by amount paid on
behalf of state agencies or local organizations. The military
department shall also submit a report quarterly to the office of
financial management and the legislative fiscal committees detailing
information on the Nisqually earthquake account, including: (a) The
amount and type of deposits into the account; (b) the current available
fund balance as of the reporting date; and (c) the projected fund
balance at the end of the 2003-05 biennium based on current revenue and
expenditure patterns.

(5) $3,000,000 of the Nisqually earthquake account--state
appropriation is provided solely to cover other response and recovery
costs associated with the Nisqually earthquake that are not eligible
for federal emergency management agency reimbursement. Prior to
expending funds provided in this subsection, the military department
shall obtain prior approval of the director of financial management.
Prior to approving any single project of over $1,000,000, the office of
financial management shall notify the fiscal committees of the
legislature. The military department is to submit a quarterly report
detailing the costs authorized under this subsection to the office of
financial management and the legislative fiscal committees.

(6) $200,000 of the general fund--state appropriation for fiscal
year 2004 and $53,555,000 of the general fund--federal appropriation
are provided solely for homeland security, to be distributed as
follows:
(a) $9,469,000 of the general fund--federal appropriation to units of local government for homeland security purposes. Any communications equipment purchased shall be consistent with standards set by the Washington state interoperability executive committee;

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

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

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

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

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

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

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

(i) The department shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing the governor's domestic security advisory group recommendations; homeland security revenues and expenditures, including estimates of total federal funding for Washington state; incremental changes from the previous estimate, planned and actual homeland security expenditures by the state and local governments with this federal funding; and matching or accompanying state or local expenditures.
NEW SECTION. Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2004) ................ $2,381,000
General Fund--State Appropriation (FY 2005) ................ $2,415,000
Department of Personnel Service Account--State

Appropriation ............................................. $2,545,000
TOTAL APPROPRIATION ................................... $7,341,000

NEW SECTION. Sec. 152. FOR THE GROWTH PLANNING HEARINGS BOARD

General Fund--State Appropriation (FY 2004) ................ $1,572,000
General Fund--State Appropriation (FY 2005) ................ $1,508,000
TOTAL APPROPRIATION ................................... $3,080,000

NEW SECTION. Sec. 153. FOR THE STATE CONVENTION AND TRADE CENTER

State Convention and Trade Center Operating Account--State Appropriation .................. $40,705,000
State Convention and Trade Center Account--State

Appropriation ............................................. $31,037,000
TOTAL APPROPRIATION ................................... $71,742,000

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

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

(3) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act.

NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM
General Fund--State Appropriation (FY 2004) . . . . . . . $228,973,000
General Fund--State Appropriation (FY 2005) . . . . . . . $232,198,000
General Fund--Federal Appropriation .................. $435,340,000
General Fund--Private/Local Appropriation ............... $400,000
Public Safety and Education Account--
    State Appropriation ......................... $23,920,000
Violence Reduction and Drug Enforcement Account--
    State Appropriation ......................... $5,640,000
TOTAL APPROPRIATION ......................... $926,471,000

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

(1) $10,659,000 of the general fund--state appropriation for fiscal year 2004, $10,659,000 of the general fund--state appropriation for fiscal year 2005, and $5,307,000 of the general fund--federal appropriation are provided solely for family preservation and intervention services such as the alternative response system, continuum of care, family preservation services, and intensive family preservation services.

    The department, in consultation with stakeholders, shall propose a service delivery structure for providing family preservation and intervention services that maximizes resources and provides flexibility in responding to the needs of families. Options shall be presented to the legislature that address the following: (a) Service delivery structure; (b) specific outcome measures for the combined programs; (c) request for proposal decision making process; (d) statewide funding distribution formula; and (e) recommendations that will create economies of scale from combining services and programs. The department shall report this information to the children and families committees of the legislature by December 1, 2003.

(2) $1,076,000 of the general fund--state appropriation for fiscal year 2004, $1,076,000 of the general fund--state appropriation for fiscal year 2005, and $322,000 of the general fund--federal appropriation are provided solely for pediatric interim care.

(3) $807,000 of the fiscal year 2004 general fund--state appropriation, $856,000 of the fiscal year 2005 general fund--state appropriation, and $4,151,000 of the violence reduction and drug enforcement account appropriation are provided solely for the family policy council and community public health and safety networks. The funding level for the family policy council and community public health
and safety networks represents a 10 percent reduction below the funding level for the 2001-2003 biennium. Reductions to network grants shall be allocated so as to maintain current funding levels, to the greatest extent possible, for projects with the strongest evidence of positive outcomes.

(4) Within the funds provided in this section, the department shall maintain 33 secure crisis residential center (SCRC) beds. All SCRCs that are currently colocated with juvenile detention centers shall be closed and the remaining SCRCs shall be reduced to maintain regionality of centers.

The providers for the remaining 33 SCRC beds, the 52 crisis residential center beds, and the 31 HOPE beds shall be paid a $1,000 base payment per bed per month, and reimbursed for the remainder of the bed cost only when the beds are occupied.

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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
<td>$75,190,000</td>
</tr>
<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$73,787,000</td>
</tr>
<tr>
<td>General Fund--Federal Appropriation</td>
<td>$12,689,000</td>
</tr>
<tr>
<td>General Fund--Private/Local Appropriation</td>
<td>$1,098,000</td>
</tr>
<tr>
<td>Juvenile Accountability Incentive</td>
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<tr>
<td>Account--Federal Appropriation</td>
<td>$9,139,000</td>
</tr>
<tr>
<td>Public Safety and Education</td>
<td></td>
</tr>
<tr>
<td>Account--State Appropriation</td>
<td>$6,092,000</td>
</tr>
<tr>
<td>Violence Reduction and Drug Enforcement Account--</td>
<td></td>
</tr>
<tr>
<td>State Appropriation</td>
<td>$37,338,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$215,333,000</td>
</tr>
</tbody>
</table>
The appropriations in this section are subject to the following conditions and limitations:

1. $696,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

2. $6,066,000 of the violence reduction and drug enforcement account appropriation is provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

3. $1,206,000 of the general fund--state appropriation for fiscal year 2004, $1,206,000 of the general fund--state appropriation for fiscal year 2005, and $5,274,000 of the violence reduction and drug enforcement account appropriation are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

4. $2,549,000 of the violence reduction and drug enforcement account appropriation is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

5. $100,000 of the general fund--state appropriation for fiscal
year 2004 and $100,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for a contract for expanded services of the teamchild project.

(6) $16,000 of the general fund--state appropriation for fiscal year 2004 and $16,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of chapter 167, Laws of 1999 (firearms on school property). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 167, Laws of 1999, and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(7) $6,094,000 of the public safety and education account--state appropriation is provided solely for distribution to county juvenile court administrators to fund the costs of processing children in need of services and at-risk youth petitions. The department shall not retain any portion of these funds to cover administrative or any other departmental costs. The department, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs. The distributions made under this subsection and distributions from the county criminal justice assistance account made pursuant to section 801 of this act constitute appropriate reimbursement for costs for any new programs or increased level of service for purposes of RCW 43.135.060.

(8) Each fiscal year during the 2003-05 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing children in need of services and at-risk youth petitions. Counties shall submit the reports to the department no later than 45 days after the end of the fiscal year. The department shall electronically transmit this information to the chair and ranking minority member of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(9) $1,478,000 of the juvenile accountability incentive account--
federal appropriation is provided solely for the continued implementation of a pilot program to provide for postrelease planning and treatment of juvenile offenders with co-occurring disorders.

(10) $16,000 of the violence reduction and drug enforcement account appropriation is provided solely for the evaluation of the juvenile offender co-occurring disorder pilot program implemented pursuant to (9) of this section.

(11) $900,000 of the general fund--state appropriation for fiscal year 2004 and $900,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the continued implementation of the juvenile violence prevention grant program established in section 204, chapter 309, Laws of 1999.

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

(13) The juvenile rehabilitation administration shall allot and expend funds provided in this section by the category and budget unit structure submitted to the legislative evaluation and accountability program committee.

(14) $261,000 of the general fund--state appropriation for fiscal year 2004 and $820,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to reimburse counties for local juvenile disposition alternatives implemented pursuant to Senate Bill No. 5903 (juvenile offender sentencing). The juvenile rehabilitation administration, in consultation with the juvenile court administrators, shall develop an equitable distribution formula for the funding provided in this subsection. The juvenile rehabilitation administration may adjust this funding level in the event that utilization rates of the disposition alternatives are lower than the level anticipated by the total appropriations to the juvenile rehabilitation administration in this section. If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.
$485,000 of the general fund--state appropriation for fiscal year 2004 and $831,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to the juvenile courts for additional research-based probation services for youth with local dispositions that include community supervision pursuant to chapter 13.40 RCW. The juvenile rehabilitation administration, in consultation with the juvenile court administrators and the Washington state institute for public policy, shall develop a funding formula that distributes the moneys appropriated in this subsection in an equitable manner and in a way that considers county-by-county differences in probation services.

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . \$204,296,000

General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . \$204,137,000

General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . \$384,166,000

General Fund--Local Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . \$1,970,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . \$794,569,000

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

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

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

(c) \$4,222,000 of the general fund--state appropriation for fiscal year 2004, \$4,222,000 of the general fund--state appropriation for fiscal year 2005, and \$8,444,000 of the general fund--federal appropriation are provided solely for the continued operation of community residential and support services for persons whose treatment
needs constitute substantial barriers to community placement and who no
longer require active psychiatric treatment at an inpatient hospital
level of care, no longer meet the criteria for inpatient involuntary
commitment, and have been discharged from a state psychiatric hospital.
Primary responsibility and accountability for provision of appropriate
community support for persons placed with these funds shall reside with
the mental health program and the regional support networks, with
partnership and active support from the alcohol and substance abuse and
from the aging and disability services administration. The department
shall continue performance-based incentive contracts to provide
appropriate community support services for individuals leaving the
state hospitals under this subsection. The department shall first seek
to contract with regional support networks before offering a contract
to any other party. The funds appropriated in this subsection shall
not be considered "available resources" as defined in RCW 71.24.025 and
are not subject to the standard allocation formula applied in
accordance with RCW 71.24.035(13)(a).
(d) At least $904,000 of the federal block grant funding
appropriated in this subsection shall be used for the continued
operation of the mentally ill offender pilot program.
(e) The department is authorized to implement a new formula for
allocating available resources among the regional support networks.
The distribution formula shall use the number of persons eligible for
the state medical programs funded under chapter 74.09 RCW as the
measure of the requirement for the number of acutely mentally ill,
chronically mentally ill, severely emotionally disturbed children, and
seriously disturbed in accordance with RCW 71.24.035(13)(a). The new
formula shall be phased in over a period of no less than six years.
Furthermore, the department shall increase the medicaid capitation
rates which a regional support network would otherwise receive under
the formula by an amount sufficient to assure that total funding
allocated to the regional support network in fiscal year 2004 increases
by up to 5.0 percent over the amount actually paid to that regional
support network in fiscal year 2003, and by up to an additional 5.0
percent in fiscal year 2005, if total funding to the regional support
network would otherwise increase by less than those percentages under
the new formula, and provided that the nonfederal share of the higher
medicaid payment rate is provided by the regional support network from
local funds.

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

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

(h) The department shall reduce state funding otherwise payable to
a regional support network in fiscal years 2004 and 2005 by the full
amount by which the regional support network's total administrative
expenditures as of December 31, 2002, exceed ten percent of total
funding.

(i) The department is authorized to develop an integrated health
care program designed to slow the progression of illness and disability
and better manage medicaid expenditures for the aged and disabled
population. In accordance with the Washington medicaid integration
partnership (WMIP), the department may combine and transfer such
medicaid funds (including medical, long-term care, mental health, and
substance abuse treatment) as may be necessary to finance a unified
health care plan for the WMIP program enrollment. The state may
withhold from calculations of "available resources" as defined in RCW
71.24.025 a sum equal to the capitated rate for individuals enrolled in
this pilot program.

(2) INSTITUTIONAL SERVICES
General Fund--State Appropriation (FY 2004) .......... $94,032,000
General Fund--State Appropriation (FY 2005) .......... $92,812,000
General Fund--Federal Appropriation ................. $134,622,000
General Fund--Private/Local Appropriation .......... $26,342,000
TOTAL APPROPRIATION .......................... $347,808,000

The appropriations in this subsection are subject to the following
conditions and limitations:
(a) The state mental hospitals may use funds appropriated in this
subsection to purchase goods and supplies through hospital group
purchasing organizations when it is cost-effective to do so.
(b) The mental health program at Western state hospital shall
continue to use labor provided by the Tacoma prerelease program of the
department of corrections.

(3) CIVIL COMMITMENT
General Fund--State Appropriation (FY 2004) .......... $27,823,000
General Fund--State Appropriation (FY 2005) .......... $32,184,000
TOTAL APPROPRIATION .......................... $60,007,000

The appropriations in this subsection are subject to the following
conditions and limitations:
(a) $1,381,000 of the general fund--state appropriation for fiscal
year 2004 and $2,090,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for operational costs associated
with a less restrictive step-down placement facility on McNeil Island.
(b) $300,000 of the general fund--state appropriation for fiscal
year 2004 and $300,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for mitigation funding for
jurisdictions affected by the placement of less restrictive alternative
facilities for persons conditionally released from the special
commitment center facility being constructed on McNeil Island. Of this
amount, $45,000 per year shall be provided to the city of Lakewood on
September 1, 2003, and September 1, 2004, for police protection
reimbursement at Western State Hospital and adjacent areas, up to
$45,000 per year is provided for training police personnel on chapter
12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to $125,000 per year
is provided for Pierce county for reimbursement of additional costs,
and the remaining amounts are for other documented costs by
jurisdictions directly impacted by the placement of the secure
community transition facility on McNeil Island. Pursuant to chapter
12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall
continue to work with local jurisdictions towards reaching agreement
for mitigation costs.

(c) $924,000 of the general fund--state appropriation for fiscal
year 2004 and $1,429,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for operational costs associated
with a less restrictive step-down placement facility located outside of
Pierce county.

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

(5) PROGRAM SUPPORT
General Fund--State Appropriation (FY 2004) . . . . . . $3,771,000
General Fund--State Appropriation (FY 2005) . . . . . . $3,711,000
General Fund--Federal Appropriation . . . . . . . . . $6,830,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . $14,312,000

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

(a) $113,000 of the general fund--state appropriation for fiscal
year 2004, $125,000 of the general fund--state appropriation for fiscal
year 2005, and $164,000 of the general fund--federal appropriation are
provided solely for the institute for public policy to evaluate the
impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
297, Laws of 1998 (commitment of mentally ill persons), and chapter

(b) $50,000 of the general fund--state appropriation for fiscal
year 2004 and $50,000 of the general fund--federal appropriation are
provided solely for a study of the prevalence of mental illness among
the state's regional support networks. The study shall examine how reasonable estimates of the prevalence of mental illness relate to the incidence of persons enrolled in medical assistance programs in each regional support network area. In conducting this study, the department shall consult with the joint legislative audit and review committee, regional support networks, community mental health providers, and mental health consumer representatives. The department shall submit a final report on its findings to the fiscal, health care, and human services committees of the legislature by November 1, 2003.

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2004) ............ $255,887,000
General Fund--State Appropriation (FY 2005) ............ $259,444,000
General Fund--Federal Appropriation ..................... $430,819,000
Health Services Account--State
  Appropriation ............................................. $1,038,000
  TOTAL APPROPRIATION ................................. $947,188,000

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

(a) Any new funding for family support and high school transition along with a portion of existing funding for these programs shall be provided as supplemental security income (SSI) state supplemental payments for persons with developmental disabilities in families with taxable incomes at or below 150 percent of median family income. Individuals receiving family support or high school transition payments shall not become eligible for medical assistance under RCW 74.09.510 due solely to the receipt of SSI state supplemental payments.

(b) The health services account appropriation and $1,038,000 of the general fund--federal appropriation are provided solely for health care benefits for home care workers with family incomes below 200 percent of the federal poverty level who are employed through state contracts for twenty hours per week or more. Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan. Home care agencies may obtain coverage either through the
basic health plan or through an alternative plan with substantially

(c) $510,000 of the general fund--state appropriation for fiscal
year 2004, $784,000 of the general fund--state appropriation for fiscal
year 2005, and $1,259,000 of the general fund--federal appropriation
are provided solely for community residential and support services.
Funding in this subsection shall be prioritized for (i) residents of
residential habilitation centers (RHCs) who are able to be adequately
cared for in community settings and who choose to live in those
community settings; and (ii) clients without residential services who
are at immediate risk of institutionalization or in crisis. The
department shall ensure that the average cost per day for all program
services other than start-up costs shall not exceed $300. The
department shall electronically report to the appropriate committees of
the legislature, within 45 days following each fiscal year quarter, the
number of residents moving into community settings and the actual
expenditures for all community services to support those residents.

(d) $511,000 of the general fund--state appropriation for fiscal
year 2004, $616,000 of the general fund--state appropriation for fiscal
year 2005, and $1,100,000 of the general fund--federal appropriation
are provided solely for expanded community services for persons with
developmental disabilities who also have community protection issues or
are diverted or discharged from state psychiatric hospitals. The
department shall ensure that the cost per day for all program services
other than start-up costs shall not exceed $300. The department shall
electronically report to the appropriate committees of the legislature,
within 45 days following each fiscal year quarter, the number of
persons served with these additional community services, where they
were residing, what kinds of services they were receiving prior to
placement, and the actual expenditures for all community services to
support these clients.

(e) The department shall increase its efforts to understand,
manage, and control expenditure growth in the developmental
disabilities programs. The appropriations in this section anticipate
that the department implements a combination of cost containment and
utilization strategies sufficient to reduce general fund--state costs
by approximately $5,000,000. The department shall report to the fiscal
committees of the legislature by October 1, 2003, on its specific plans and semiannual targets for accomplishing these savings. The department shall report again to the fiscal committees by March 1, 2004, and by September 1, 2004, on actual performance relative to the semiannual targets. If satisfactory progress is not being made to achieve these savings, the reports shall include recommendations for additional or alternative measures to control costs.

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2004) ................ $71,399,000
General Fund--State Appropriation (FY 2005) ................ $71,186,000
General Fund--Federal Appropriation ................. $144,720,000
General Fund--Private/Local Appropriation .......... $11,228,000
TOTAL APPROPRIATION .................... $298,533,000

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

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2004) ............ $2,281,000
General Fund--State Appropriation (FY 2005) ............ $2,281,000
General Fund--Federal Appropriation ................. $2,975,000
Telecommunications Devices for the Hearing and Speech Impaired Account Appropriation .......... $1,782,000
TOTAL APPROPRIATION .................... $9,319,000

(4) SPECIAL PROJECTS

General Fund--Federal Appropriation ................. $11,997,000

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

General Fund--State Appropriation (FY 2004) ............ $544,305,000
1 General Fund--State Appropriation (FY 2005) .......... $556,738,000
2 General Fund--Federal Appropriation .............. $1,136,585,000
3 General Fund--Private/Local Appropriation .......... $18,644,000
4 Health Services Account--State
5 Appropriation ....................................... $4,888,000
6 TOTAL APPROPRIATION ............................ $2,261,160,000

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

(1) The entire health services account appropriation, $1,476,000 of the general fund--state appropriation for fiscal year 2004, $1,476,000 of the general fund--state appropriation for fiscal year 2005, and $7,284,000 of the general fund--federal appropriation are provided solely for health care benefits for home care workers who are employed through state contracts for at least twenty hours per week. Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan, and only for persons with incomes below 200 percent of the federal poverty level. Home care agencies may obtain coverage either through the basic health plan or through an alternative plan with substantially equivalent benefits.

(2) $1,771,000 of the general fund--state appropriation for fiscal year 2004 and $1,771,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for operation of the volunteer chore services program.

(3) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall be no more than $142.14 for fiscal year 2004, and no more than $145.52 for fiscal year 2005. For all facilities, the direct care, therapy care, and support services component rates established in accordance with chapter 74.46 RCW shall be adjusted for economic trends and conditions by 3.0 percent effective July 1, 2003. For all facilities, the operations component rates established in accordance with chapter 74.46 RCW shall be adjusted for economic trends and conditions by 2.0 percent effective September 1, 2004.

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

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

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

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

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

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

(7) $30,000 of the general fund--state appropriation for fiscal year 2004 and $20,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for payments to any nursing facility licensed under chapter 18.51 RCW which meets all of the following criteria: (a) The nursing home entered into an arm's length agreement for a facility lease prior to January 1, 1980; (b) the lessee purchased the leased nursing home after January 1, 1980; and (c) the lessor defaulted on its loan or mortgage for the assets of the home after January 1, 1991, and prior to January 1, 1992. Payments provided pursuant to this subsection shall not be subject to the settlement, audit, or rate-setting requirements contained in chapter 74.46 RCW.

(8) $118,000 of the general fund--state appropriation for fiscal year 2004, $118,000 of the general fund--state appropriation for fiscal year 2005, and $236,000 of the general fund--federal appropriation are provided solely for the department to assess at least annually each
elderly resident residing in residential habilitation centers and
state-operated living alternatives to determine if the resident can be
more appropriately served in a less restrictive setting.

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

(b) In assessing an elderly resident under this section and to
ensure appropriate placement, the department shall identify the special
needs of the resident, the types of services that will best meet those
needs, and the type of facility that will best provide those services.

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

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

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

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

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

General Fund--State Appropriation (FY 2004) ............. $419,702,000
General Fund--State Appropriation (FY 2005) ............. $407,497,000
General Fund--Federal Appropriation .................... $1,190,567,000
General Fund--Private/Local Appropriation .............. $40,414,000
TOTAL APPROPRIATION ................................ $2,058,180,000

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

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

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

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

(2) $45,639,000 of the general fund--state appropriation for fiscal year 2004 and $39,335,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for cash assistance and other services to recipients in the general assistance--unemployable program. Within these amounts, the department may expend funds for services that assist recipients to reduce their dependence on public assistance, provided that expenditures for these services and cash assistance do not exceed the funds provided.

(3) $1,436,000 of the general fund--state appropriation for fiscal year 2004 and $1,436,000 of the general fund--state appropriation for fiscal year 2005 are provided for the department to assist in naturalization efforts for legal aliens whose eligibility for federal supplemental security income has expired. The department shall use funding previously spent on general assistance employment supports for these naturalization services.

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

(5) $10,000,000 of the general fund--state appropriation for fiscal
year 2004 is provided solely for one-time expenditures needed to meet
the federally required level for state supplemental payments (SSP).
The department may transfer a portion of this amount to other programs
within the agency to accomplish this purpose. To the extent that the
required expenditure level must be met by funding new services, one-
time payments to all SSI clients currently not receiving state
supplemental payments shall be provided. Individuals receiving one-
time payments shall not become eligible for medical assistance under
RCW 74.09.510 due solely to the receipt of SSI state supplemental
payments.

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

General Fund--State Appropriation (FY 2004) ............ $35,523,000
General Fund--State Appropriation (FY 2005) ............ $35,524,000
General Fund--Federal Appropriation .................... $90,664,000
General Fund--Private/Local Appropriation ............... $630,000
Public Safety and Education Account--State
Appropriation ............................................. $15,208,000
Criminal Justice Treatment Account--State
Appropriation ............................................. $8,950,000
Violence Reduction and Drug Enforcement Account--
State Appropriation ..................................... $47,523,000
TOTAL APPROPRIATION ............................. $234,022,000

The appropriations in this section are subject to the following
conditions and limitations: $966,197 of the general fund--state
appropriation for fiscal year 2004 and $966,197 of the general fund--
state appropriation for fiscal year 2005 are provided solely for the
parent child assistance program. The department shall contract with
the University of Washington and community based providers in Spokane
and Yakima for the provision of this program. For all contractors, indirect charges for administering the program shall not exceed ten percent of the total contract amount.

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

General Fund--State Appropriation (FY 2004) . . . . . . $1,122,590,000
General Fund--State Appropriation (FY 2005) . . . . . . $1,165,208,000
General Fund--Federal Appropriation . . . . . . . . . . . $3,757,510,000
General Fund--Private/Local Appropriation . . . . . . . $239,930,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation . . . . . . . . . . . $5,000,000
Health Services Account--State Appropriation . . . . $1,019,815,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . $7,310,053,000

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

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

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

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

(4) $999,000 of the health services account appropriation for fiscal year 2004, $1,519,000 of the health services account appropriation for fiscal year 2005, and $2,142,000 of the general fund--federal appropriation are provided solely for implementation of a "ticket to work" medicaid buy-in program for working persons with disabilities, operated in accordance with the following conditions:

(a) To be eligible, a working person with a disability must have total income which is less than 450 percent of poverty;
(b) Participants shall participate in the cost of the program by paying (i) a monthly enrollment fee equal to fifty percent of any unearned income in excess of the medicaid medically needy standard; and (ii) a monthly premium equal to 5 percent of all unearned income, plus 5 percent of all earned income after disregarding the first sixty-five dollars of monthly earnings, and half the remainder;

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

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

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

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

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

(8) In accordance with RCW 74.46.625, $52,057,000 of the fiscal year 2004 health services account appropriation, $35,016,000 of the fiscal year 2005 health services account appropriation, and $87,074,000 of the general fund--federal appropriation are provided solely for supplemental payments to nursing homes operated by rural public hospital districts. The payments shall be conditioned upon (a) a contractual commitment by the association of public hospital districts and participating rural public hospital districts to make an intergovernmental transfer to the state treasurer, for deposit into the health services account, equal to at least 98 percent of the supplemental payments; and (b) a contractual commitment by the participating districts to not allow expenditures covered by the
supplemental payments to be used for medicaid nursing home rate-
setting. The participating districts shall retain no more than a total
of $3,500,000 for the 2003-05 biennium.
(9) $14,616,000 of the health services account appropriation for
fiscal year 2004, $12,394,000 of the health services account
appropriation for fiscal year 2005, and $27,010,000 of the general
fund--federal appropriation are provided solely for additional
disproportionate share and medicare upper payment limit payments to
public hospital districts.
The payments shall be conditioned upon a contractual commitment by
the participating public hospital districts to make an
intergovernmental transfer to the health services account equal to at
least 91 percent of the additional payments. At least 28 percent of
the amounts retained by the participating hospital districts shall be
allocated to the state's teaching hospitals.
(10) $20,000,000 of the general fund--state appropriation for
fiscal year 2004, $20,000,000 of the general fund--state appropriation
for fiscal year 2005, and $40,000,000 of the general fund--federal
appropriation are provided solely for grants to hospital serving a
disproportionate share of low-income and uninsured patients. In
developing a methodology for distributing grants to hospitals, the
department may consider relative net financial margins of hospitals.
(11) The department shall coordinate with the health care authority
and with community and migrant health clinics to actively assist
children and immigrant adults not eligible for medicaid to enroll in
the basic health plan.
(12) The department shall separately track the total amount of any
rebates obtained from drug manufacturers that are supplemental to the
amounts required by federal law.
(13) $156,000 of the general fund--state appropriation for fiscal
year 2004 and $1,403,000 of the general fund--federal appropriation are
provided solely for a study to assess alternatives for replacing the
existing medicaid management information system. The department shall
report to the information services board and to the fiscal committees
of the legislature by December 1, 2003, on the anticipated costs and
benefits of the major alternative approaches.
(14) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage Medicaid expenditures for the aged and disabled population. In accordance with the Washington Medicaid Integration Partnership (WMIP) the department may combine and transfer such Medicaid funds (including medical, long-term care, mental health and substance abuse treatment) as may be necessary to finance a unified health care plan for the WMIP program enrollment. The state may withhold from calculations of "available resources" as defined in RCW 71.24.025 a sum equal to the capitated rate for individuals enrolled in this pilot.

(15) The department may employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the Medicaid and Medicare programs.

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

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

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

(19) The department shall include in any pending medicaid reform section 1115 waiver application, or in any existing section 1115 waiver, a request for authorization to provide optional medicaid services that have been eliminated in this act to American Indian and Alaska Native persons as defined in relevant federal law who are eligible for medicaid only to the extent that such services are provided through the American Indian health system and are financed with one hundred percent federal medicaid matching funds.

(20) The appropriations in this section reflect lower prescription drug cost trends resulting from implementation of Engrossed Second Substitute House Bill No. 1214 (prescription drugs). As provided in section 15 of Engrossed Second Substitute House Bill No. 1214, the department shall terminate the therapeutic consultation service four brand limit program component earlier than July 1, 2005, if, upon monitoring prescriber compliance with the preferred drug list and trends in the therapeutic consultation service four brand limit program component, the department determines the number of pharmacy claims that trigger the four brand edit exception under therapeutic consultation services is below 925 claims per month for three consecutive months.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $10,479,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $10,792,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $85,777,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $107,048,000

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $26,001,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $57,668,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $74,301,000
General Fund--Private/Local Appropriation . . . . . . . . . . $810,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $158,780,000
The appropriations in this section are subject to the following conditions and limitations:

1. $153,000 of the general fund--state appropriation for fiscal year 2004, $747,000 of the general fund--state appropriation for 2005, and $899,000 of the general fund--federal appropriation are provided solely for transition costs associated with the closure of Fircrest school as directed by Engrossed Senate Bill No. 5971 (residential habilitation centers). To minimize the disruption to the ongoing work plan of the developmental disabilities program, the department shall organize the Fircrest school closure and resident transition effort to report to the assistant secretary of the aging and disability services administration. Within the funds provided in this subsection, the department shall:

   a. Determine appropriate ways to maximize federal reimbursement during the closure of the facility;

   b. Negotiate with representatives of employees affected by the closure to determine strategies such as individual employment counseling through the department of personnel and employment security; retraining and placement into other state jobs; and ways to cover the costs of unemployment benefits.

   c. Examine opportunities for state employees to continue caring for clients by assisting them in setting up community residential alternatives. In conducting the review, the department will examine efforts pursued by other states as part of institutional closure efforts.

   d. Provide recommendations to the appropriate committees of the legislature on ways to reduce operational costs at the remaining residential habilitation centers, paying particular attention to the following: (i) Direct and indirect staffing levels of an residential habilitation center skilled nursing facility as compared to a comparable private skilled nursing facility or state-operated skilled nursing facilities in other states; (ii) the level of active treatment provided to clients residing in designated skilled nursing facility beds; and (iii) overall staffing levels. The administration may use funds from the appropriation to authorize a contract for assistance. These recommendations will be included in the report provided in (e) of this subsection.
(e) Provide a preliminary transition plan to the fiscal and policy committees of the legislature by January 1, 2004. The transition plan shall include recommendations on ways to continue to provide some of the services offered at Fircrest school to clients being served in community settings.

(f) Provide regular electronic updates to the appropriate committees of the legislature on progress and updates to the facility closure work plan. In addition, the department shall report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of residents moving into community settings and the actual expenditures for all community services to support those residents.

(g) The department shall consult with the city of Shoreline for the Fircrest property.

(2) $26,123,000 of the general fund--state appropriation for fiscal year 2005 and $24,110,000 of the general fund--federal appropriation are provided solely for vendor rate increases. These funds may be transferred from the administration and supporting services program to various other programs within the department to implement the increases.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . . $43,882,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . $43,882,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . $43,674,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . $131,438,000

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

State Health Care Authority Administrative
Account--State Appropriation . . . . . . . . . . . . . . . . . . $17,415,000
Health Services Account--State Appropriation . . . . . . $426,321,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $2,711,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $446,447,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $6,000,000 of the health services account--state appropriation is provided solely to increase the number of persons not eligible for medicaid receiving dental care from nonprofit community clinics, and for interpreter services to support dental and medical services for persons for whom interpreters are not available from any other source.

(2) $172,231,000 of the health services account--state appropriation is provided solely for expenditure in calendar year 2004 and $96,292,000 of the health services account--state appropriation is provided solely for expenditure in calendar year 2005 to subsidize enrollment for persons in the basic health plan. In order to maximize the number of enrollees that the appropriation in the subsection can support, the health care authority is directed to make modifications in the basic health plan that will reduce the actuarial value of basic health plan coverage. Modifications may include changes in enrollee premium obligations, enrollee cost-sharing, benefits, and incentives to access preventive services. The health care authority shall base its enrollment policies during the 2003-2005 biennium on its September 6, 2001, administrative policy on basic health enrollment management.

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

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

(5)(a) In coordination with the department of social and health services medical assistance administration and other interested entities, the administrator will identify and design pilot projects to
improve health care coverage access, including review of proposals by entities that have received funding through the federal health resources and services administration community access program. The administrator may identify pilot projects that are found feasible and that will not require financial resources beyond those appropriated for the basic health plan or the medical assistance administration in the biennial operating budget. Pilot projects may include applying basic health plan or medical assistance subsidy payments toward employer-sponsored health insurance or other health insurance premium shares, rather than as direct payments to managed health care systems participating in the basic health plan or medical assistance program.

(b) The schedule of benefits for persons enrolled through a potential pilot project may differ from the benefits offered through the basic health plan, but shall be reasonably comparable in value to those benefits.

(c) By November 1, 2003, the administrator and the secretary of the department of social and health services shall jointly report to the health care committees of the senate and the house of representatives on their progress in developing the pilot projects, the requested implementation date of any pilot project under development, and any statutory changes needed to implement the pilot projects.

(6) Upon enactment of Engrossed Substitute House Bill No. 1299 (state purchased health care) during the 2003 legislative session, the administrator, in coordination with the department of social and health services and the department of labor and industries shall undertake an evidence-based review and assessment of the effectiveness of spinal cord stimulators and drug infusion pumps. In performing the assessment, the administrator and the departments shall consider the best available external clinical evidence derived from systematic research, and relevant coverage criteria and standards adopted by other federal and state health care programs.

(7) Within the amounts appropriated in this act, sufficient funding is provided for implementation of Second Substitute House Bill No. 1214 (prescription drugs).

(8)(a) To maximize opportunities to decrease administrative burdens for providers and plans participating in state purchased health care programs, the administrator, the assistant secretary for the medical
assistance administration of the department of social and health
services, and the director of the department of labor and industries,
in collaboration with health carriers, health care providers, and the
office of the insurance commissioner shall, within available resources,
collectively:

(i) Assess each of the strategies in (b) of this subsection;

(ii) Take steps to implement by December 31, 2004, those strategies
in (b) of this subsection that are feasible to implement, taking into
consideration fiscal constraints, and federal or state statutory or
regulatory barriers;

(iii) To the extent that a strategy in (b) of this subsection
cannot be implemented by December 2004, identify the specific fiscal
constraints, or the specific federal or state statutory or regulatory
barriers, that prevent its implementation; and

(iv) On or before December 1, 2003, provide a progress report to
the relevant policy and fiscal committees of the legislature on the
activities provided in (a)(i) through (iii) of this subsection.

(b) The strategies to be assessed under this subsection include the
following:

(i) Improve core services, including: Improving timeliness of
claims processing and responses to provider inquiries; improving
distribution of medical assistance program fee schedules; and clearly
defining and communicating scope of coverage under managed care
contracts;

(ii) Streamline current administrative practices, including:
Maximizing the capacity for electronic billing and claims submission;
and providing electronic access to eligibility, benefits exclusion, and
authorization information;

(iii) Establish clear expectations, including developing clear
auditing and data requirements for contracting managed health care
plans; and improving consistency between edits in claims processing
systems and published fee schedules;

(iv) Increase consistency with national and regional standards,
including: Eliminating "local" billing codes wherever possible;
adopting medicare's ambulatory patient classification system for
outpatient hospital payments; and increasing the extent to which state
agencies accept compliance with standards adopted by national managed
care accreditation organizations as meeting agency requirements for
managed care contractors; and
(v) Standardize similarities between agencies, including applying
codes consistently across state-purchased health care programs;
eliminating burdensome data collection by having state agencies collect
data that is available from other state agencies; coordinating audits
by state agencies; and standardizing definitions and interpretations of
services.

NEW SECTION. Sec. 214. FOR THE HUMAN RIGHTS COMMISSION
General Fund--State Appropriation (FY 2004) ..................... $2,408,000
General Fund--State Appropriation (FY 2005) ..................... $2,447,000
General Fund--Federal Appropriation .............................. $1,523,000
General Fund--Private/Local Appropriation ....................... $100,000
TOTAL APPROPRIATION ............................................ $6,478,000

NEW SECTION. Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE
APPEALS
Worker and Community Right-to-Know Account--State
  Appropriation ....................................................... $20,000
Accident Account--State Appropriation ............................ $15,129,000
Medical Aid Account--State Appropriation ....................... $15,128,000
TOTAL APPROPRIATION ............................................ $30,277,000

NEW SECTION. Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING
COMMISSION
Municipal Criminal Justice Assistance Account--
  Local Appropriation ............................................... $460,000
Death Investigations Account--State
  Appropriation ....................................................... $148,000
Public Safety and Education Account--State
  Appropriation ....................................................... $17,869,000
  TOTAL APPROPRIATION ............................................. $18,477,000
The appropriations in this section are subject to the following
conditions and limitations:
(1) $124,000 of the public safety and education account appropriation is provided solely to allow the Washington association of sheriffs and police chiefs to increase the technical and training support provided to the local criminal justice agencies on the new incident-based reporting system and the national incident-based reporting system.

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

(3) $6,000 of the public safety and education account appropriation is provided solely to increase payment rates for the criminal justice training commission's contracted food service provider.

(4) $9,000 of the public safety and education account appropriation is provided solely to increase payment rates for the criminal justice training commission's contract with the Washington association of sheriffs and police chiefs.

(5) $65,000 of the public safety and education account appropriation is provided solely for regionalized training programs for school district and local law enforcement officials on school safety issues.

### NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

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<tr>
<th>Source</th>
<th>Amount</th>
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<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
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<td>General Fund--State Appropriation (FY 2005)</td>
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<td>Public Safety and Education Account--State Appropriation</td>
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<td>Public Safety and Education Account--Federal Appropriation</td>
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<td>Asbestos Account--State Appropriation</td>
<td>$693,000</td>
</tr>
<tr>
<td>Electrical License Account--State Appropriation</td>
<td>$29,047,000</td>
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<tr>
<td>Farm Labor Revolving Account--Private/Local Appropriation</td>
<td>$28,000</td>
</tr>
<tr>
<td>Worker and Community Right-to-Know Account--State Appropriation</td>
<td>$2,548,000</td>
</tr>
</tbody>
</table>
Public Works Administration Account--State

Appropriation ........................................... $2,435,000

Accident Account--State Appropriation ............... $189,453,000

Accident Account--Federal Appropriation ............. $13,398,000

Medical Aid Account--State Appropriation .......... $188,487,000

Medical Aid Account--Federal Appropriation .......... $2,962,000

Plumbing Certificate Account--State

Appropriation ........................................... $1,461,000

Pressure Systems Safety Account--State

Appropriation ........................................... $2,815,000

TOTAL APPROPRIATION ................................ $476,096,000

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

(1) Pursuant to RCW 7.68.015, the department shall operate the crime victims compensation program within the public safety and education account funds appropriated in this section. In the event that cost containment measures are necessary, the department may (a) institute copayments for services; (b) develop preferred provider contracts; or (c) other cost containment measures. Cost containment measures shall not include holding invoices received in one fiscal period for payment from appropriations in subsequent fiscal periods. No more than $5,248,000 of the public safety and education account appropriation shall be expended for department administration of the crime victims compensation program.

(2) $100,000 of the medical aid account--state appropriation is provided solely to implement House Bill No. 2122 (state purchased health care). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(3) $90,000 of the electrical license account--state appropriation and $206,000 of the plumbing certificate account--state appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5713 (electrical contractors). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(4) $314,000 of the accident account--state appropriation and $56,000 of the medical aid account--state appropriation are provided solely to implement Second Substitute Senate Bill No. 5890...
(agricultural workers). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

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

<table>
<thead>
<tr>
<th>Appropriation</th>
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</tr>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
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<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
<td>$1,978,000</td>
</tr>
</tbody>
</table>

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

**1. HEADQUARTERS**

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
<td>$1,563,000</td>
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<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$1,564,000</td>
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<tr>
<td>Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation</td>
<td>$11,000</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
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**2. FIELD SERVICES**

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<tr>
<th>Appropriation</th>
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<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
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<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$2,630,000</td>
</tr>
<tr>
<td>General Fund--Federal Appropriation</td>
<td>$309,000</td>
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<tr>
<td>General Fund--Private/Local Appropriation</td>
<td>$1,670,000</td>
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<td>TOTAL APPROPRIATION</td>
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**3. INSTITUTIONAL SERVICES**

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<th>Appropriation</th>
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<td>General Fund--State Appropriation (FY 2004)</td>
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<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$5,918,000</td>
</tr>
<tr>
<td>General Fund--Federal Appropriation</td>
<td>$27,336,000</td>
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<tr>
<td>General Fund--Private/Local Appropriation</td>
<td>$27,934,000</td>
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<td>TOTAL APPROPRIATION</td>
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**NEW SECTION.** Sec. 220. FOR THE HOME CARE QUALITY AUTHORITY

<table>
<thead>
<tr>
<th>Appropriation</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
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<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$252,000</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
<td>$657,000</td>
</tr>
</tbody>
</table>

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

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

General Fund--State Appropriation (FY 2004) ............ $61,098,000
General Fund--State Appropriation (FY 2005) ............ $63,290,000
Health Services Account--State Appropriation ............ $34,293,000
General Fund--Federal Appropriation ................... $349,154,000
General Fund--Private/Local Appropriation .............. $90,652,000
Hospital Commission Account--State Appropriation ........ $2,492,000
Health Professions Account--State Appropriation ........ $40,606,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation ..................... $22,053,000
Safe Drinking Water Account--State Appropriation ........ $2,738,000
Drinking Water Assistance Account--Federal Appropriation ................ $13,520,000
Waterworks Operator Certification--State Appropriation ........ $637,000
Water Quality Account--State Appropriation ............ $3,375,000
Accident Account--State Appropriation ................ $260,000
Medical Aid Account--State Appropriation ............. $46,000
State Toxics Control Account--State Appropriation .......... $2,631,000
Medical Test Site Licensure Account--State Appropriation ........ $1,720,000
Youth Tobacco Prevention Account--State Appropriation ........ $1,806,000
Tobacco Prevention and Control Account--State Appropriation ........ $52,516,000
TOTAL APPROPRIATION .................................. $742,887,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) The department or any successor agency is authorized to raise existing fees charged for health care assistants, emergency medical services personnel, commercial shellfish licenses, and newborn screening programs, in excess of the fiscal growth factor established by Initiative Measure No. 601, if necessary, to meet the actual costs of conducting business and the appropriation levels in this section.

(2) $1,675,000 of the general fund--state fiscal year 2004 appropriation and $1,676,000 of the general fund--state fiscal year 2005 appropriation are provided solely for the implementation of the Puget Sound water work plan and agency action items, DOH-01, DOH-02, DOH-03, and DOH-04.

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

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

(5) $2,984,000 of the general fund--local appropriation is provided solely for development and implementation of an internet-based system for preparing and retrieving death certificates as provided in Substitute Senate Bill No. 5545. If Substitute Senate Bill No. 5545 is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.
NEW SECTION.  Sec. 222. FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2004) . . . . . . . $38,883,000
General Fund--State Appropriation (FY 2005) . . . . . . . $35,891,000
Public Safety and Education Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . $3,665,000
Violence Reduction and Drug Enforcement
  Account Appropriation . . . . . . . . . . . . . . . . . . . . . $26,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $78,465,000

The appropriations in this subsection are subject to the following
conditions and limitations:  $3,250,000 of the general fund--state
appropriation for fiscal year 2004 is provided solely for the
continuation of phase two of the department's offender-based tracking
system replacement project.  This amount is conditioned on the
department satisfying the requirements of section 902 of this act.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2004) . . . . . . . $439,277,000
General Fund--State Appropriation (FY 2005) . . . . . . . $445,045,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $8,746,000
Violence Reduction and Drug Enforcement Account--
  State Appropriation . . . . . . . . . . . . . . . . . . . . . . $2,984,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $896,052,000

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

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

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

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

(d) $478,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to increase payment rates for contracted education providers, contracted chemical dependency providers, and contracted work release facilities.

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

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

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2004) .......... $74,229,000
General Fund--State Appropriation (FY 2005) .......... $74,710,000
Public Safety and Education Account--State Appropriation ........... $15,492,000
TOTAL APPROPRIATION ................. $164,431,000

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

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

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

(c) $13,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to increase payment rates for contracted chemical dependency providers.

(d) $2,767,000 of the general fund--state appropriation for fiscal year 2004 and $2,871,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the provision of electronic monitoring services to offenders who receive earned early release time at the rate of fifty percent pursuant to the implementation of Senate Bill No. 5990 (supervision of offenders). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

| General Fund--State Appropriation (FY 2004) | $642,000 |
| General Fund--State Appropriation (FY 2005) | $642,000 |

| TOTAL APPROPRIATION | $1,284,000 |

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

(5) INTERAGENCY PAYMENTS

| General Fund--State Appropriation (FY 2004) | $27,951,000 |
| General Fund--State Appropriation (FY 2005) | $27,986,000 |

| TOTAL APPROPRIATION | $55,937,000 |
Sec. 223. 2003 c 10 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS. The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, 2003, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2003 between programs. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any deviations from appropriation levels.

(1) ADMINISTRATION AND SUPPORT SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2002)</td>
<td>$36,786,000</td>
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<tr>
<td>General Fund--State Appropriation (FY 2003)</td>
<td>($36,239,000)</td>
</tr>
<tr>
<td></td>
<td>$32,989,000</td>
</tr>
<tr>
<td>Public Safety and Education Account--State</td>
<td>$1,576,000</td>
</tr>
<tr>
<td>Violence Reduction and Drug Enforcement Account</td>
<td>$3,254,000</td>
</tr>
<tr>
<td><strong>TOTAL APPROPRIATION</strong></td>
<td>($77,855,000)</td>
</tr>
<tr>
<td></td>
<td>$74,605,000</td>
</tr>
</tbody>
</table>

The appropriations in this subsection are subject to the following conditions and limitations: $4,623,000 of the general fund--state appropriation for fiscal year 2002, ($4,623,000) $1,373,000 of the general fund--state appropriation for fiscal year 2003, and $3,254,000 of the violence reduction and drug enforcement account appropriation are provided solely for the replacement of the department's offender-based tracking system. This amount is conditioned on the department satisfying the requirements of section 902 of this act. The department shall prepare an assessment of the fiscal impact of any changes to the replacement project. The assessment shall:

(a) Include a description of any changes to the replacement project;

(b) Provide the estimated costs for each component in the 2001-03 and subsequent biennia;
(c) Include a schedule that provides the time estimated to complete changes to each component of the replacement project; and
(d) Be provided to the office of financial management, the department of information services, the information services board, and the staff of the fiscal committees of the senate and the house of representatives no later than November 1, 2002.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2002) . . . . . . . $404,390,000
General Fund--State Appropriation (FY 2003) . . . . . . . $433,915,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $9,936,000
Violence Reduction and Drug Enforcement Account--
  State Appropriation . . . . . . . . . . . . . . . . . . . . . . $1,596,000
Public Health Services Account Appropriation . . . . . . . $1,453,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $851,290,000

The appropriations in this subsection are subject to the following conditions and limitations:
(a) The department may expend funds generated by contractual agreements entered into for mitigation of severe overcrowding in local jails. Any funds generated in excess of actual costs shall be deposited in the state general fund. Expenditures shall not exceed revenue generated by such agreements and shall be treated as recovery of costs.
(b) The department shall provide funding for the pet partnership program at the Washington corrections center for women at a level at least equal to that provided in the 1995-97 biennium.
(c) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.
(d) $553,000 of the general fund--state appropriation for fiscal year 2002 and $956,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to increase payment rates for contracted education providers, contracted chemical dependency providers, and contracted work release facilities.
(e) During the 2001-03 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to
inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

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

(g) $22,000 of the general fund--state appropriation for fiscal year 2002 and $76,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of Second Substitute Senate Bill No. 6151 (high risk sex offenders in the civil commitment and criminal justice systems). If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall lapse.

(h) The department may acquire a ferry for no more than $1,000,000 from Washington state ferries. Funds expended for this purpose will be recovered from the sale of marine assets.

(i) Within the amounts appropriated in this section, funding is provided for the initial implementation of a medical algorithm practice program within the department's facilities. The program shall be designed to achieve clinical efficacy and costs efficiency in the utilization of psychiatric drugs.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2002) ........... $68,097,000
General Fund--State Appropriation (FY 2003) ........... $77,436,000
General Fund--Federal Appropriation .................... $870,000
Public Safety and Education
    Account--State Appropriation ....................... $15,493,000
    TOTAL APPROPRIATION ............................ $161,896,000
The appropriations in this subsection are subject to the following conditions and limitations:

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

(b) $75,000 of the general fund--state appropriation for fiscal year 2002 and $75,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the department of corrections to contract with the institute for public policy for responsibilities assigned in chapter 196, Laws of 1999 (offender accountability act) and sections 7 through 12 of chapter 197, Laws of 1999 (drug offender sentencing).

(c) $16,000 of the general fund--state appropriation for fiscal year 2002 and $28,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to increase payment rates for contracted chemical dependency providers.

(d) $30,000 of the general fund--state appropriation for fiscal year 2002 and $30,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of Substitute Senate Bill No. 5118 (interstate compact for adult offender supervision). If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2002) ............... $631,000
General Fund--State Appropriation (FY 2003) ............... $629,000
TOTAL APPROPRIATION ...................................... $1,260,000

The appropriations in this subsection are subject to the following conditions and limitations: $110,000 of the general fund--state appropriation for fiscal year 2002 and $110,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in
developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(5) INTERAGENCY PAYMENTS
General Fund--State Appropriation (FY 2002) $18,568,000
General Fund--State Appropriation (FY 2003) $18,569,000
TOTAL APPROPRIATION $37,137,000

NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND
General Fund--State Appropriation (FY 2004) $1,773,000
General Fund--State Appropriation (FY 2005) $1,773,000
General Fund--Federal Appropriation $14,334,000
General Fund--Private/Local Appropriation $80,000
TOTAL APPROPRIATION $17,960,000

NEW SECTION. Sec. 225. FOR THE SENTENCING GUIDELINES COMMISSION
General Fund--State Appropriation (FY 2004) $747,000
General Fund--State Appropriation (FY 2005) $750,000
TOTAL APPROPRIATION $1,497,000

NEW SECTION. Sec. 226. FOR THE EMPLOYMENT SECURITY DEPARTMENT
General Fund--Federal Appropriation $267,620,000
General Fund--Private/Local Appropriation $30,217,000
Unemployment Compensation Administration Account--
Federal Appropriation $185,710,000
Administrative Contingency Account--State
Appropriation $14,751,000
Employment Service Administrative Account--State
Appropriation $23,240,000
TOTAL APPROPRIATION $521,538,000

The appropriations in this subsection are subject to the following conditions and limitations: $100,000 of the administrative contingency account--state appropriation is provided solely to establish an advisory partnership on the Washington manufacturing sector as specified in this section.

(1) The employment security department shall convene the partnership, which shall consist of the following twelve members:
(a) One member from each caucus of the house of representatives, each member being a member of the house of representatives commerce and labor committee, appointed by the speaker of the house of representatives;

(b) One member from each caucus of the senate, each member being a member of the senate commerce and trade committee, appointed by the president of the senate;

(c) Two members representing labor, appointed jointly by the president of the senate and the speaker of the house of representatives, from a list of names recommended by a statewide organization representing a cross-section and majority of organized labor in the state;

(d) Two members representing business, appointed jointly by the president of the senate and the speaker of the house of representatives, from a list of names recommended by a statewide organization of employers representing a majority of employers of the state;

(e) One member representing the Washington competitiveness council, appointed by the governor;

(f) One member representing the department of community, trade, and economic development;

(g) One member representing the department of revenue; and

(h) One member representing a state technology agency such as the Spokane intercollegiate research and technical institute, or the Washington technology center.

(2) The labor market and economic analysis branch of the employment security department shall assist the manufacturing advisory partnership as necessary to perform studies, develop recommendations, and report to the legislature concerning issues related to the manufacturing sector.

(3) The manufacturing advisory partnership, with the assistance of the employment security department, shall review policies and programs related to Washington's manufacturing sector that are developed or administered by public or private entities. These entities shall include, but are not limited to, the Washington state competitiveness council, the state economic development commission, the department of community, trade, and economic development, the department of revenue, state technology agencies, and the Washington manufacturing service.
(4) The manufacturing advisory partnership, with the assistance of the employment security department, shall also study and make findings and recommendations related to the following aspects of Washington's manufacturing sector:
   (a) Legislative policies and programs related to Washington's manufacturing sector;
   (b) The work force education and training needs of the manufacturing sector;
   (c) The use of manufacturing skill standards to enhance work force development and human resources practices;
   (d) The activities necessary to develop regionally strategic industry clusters; and
   (e) Other issues identified by the partnership.

(5) The manufacturing advisory partnership shall report its findings and recommendations to the commerce and labor committee of the house of representatives and the commerce and trade committee of the senate by December 1 of each year.

(6) Legislative members of the manufacturing advisory partnership shall be reimbursed for travel expenses in accordance with RCW 44.04.120.

(End of part)
NEW SECTION. Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION
General Fund--State Appropriation (FY 2004) .................. $596,000
General Fund--State Appropriation (FY 2005) .................. $602,000
General Fund--Private/Local Appropriation .................... $763,000
TOTAL APPROPRIATION ........................................ $1,961,000

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

NEW SECTION. Sec. 302. FOR THE DEPARTMENT OF ECOLOGY
General Fund--State Appropriation (FY 2004) .................. $34,871,000
General Fund--State Appropriation (FY 2005) .................. $32,671,000
General Fund--Federal Appropriation ......................... $57,363,000
General Fund--Private/Local Appropriation ...................... $3,722,000
Special Grass Seed Burning Research Account--
State Appropriation ........................................ $14,000
Reclamation Revolving Account--State
Appropriation ...................................................... $2,768,000
Flood Control Assistance Account--
State Appropriation ........................................ $2,025,000
State Emergency Water Projects Revolving Account--
State Appropriation ........................................ $554,000
Waste Reduction/Recycling/Litter Control Account--
State Appropriation ........................................ $13,746,000
State Drought Preparedness Account--State
Appropriation ...................................................... $1,710,000
State and Local Improvements Revolving Account
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<tr>
<th>Account Name</th>
<th>State Appropriation</th>
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<td>Water Supply Facilities--State</td>
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<tr>
<td>Vehicle Tire Recycling Account--State Appropriation</td>
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<tr>
<td>Site Closure Account--State Appropriation</td>
<td>$629,000</td>
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<tr>
<td>Water Quality Account--State Appropriation</td>
<td>$24,304,000</td>
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<tr>
<td>Wood Stove Education and Enforcement Account--State</td>
<td>$356,000</td>
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<tr>
<td>Worker and Community Right-to-Know Account--State</td>
<td>$3,365,000</td>
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<tr>
<td>State Toxics Control Account--State</td>
<td>$59,932,000</td>
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<tr>
<td>State Toxics Control Account--Private/Local</td>
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<td>Local Toxics Control Account--State</td>
<td>$4,904,000</td>
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<td>Water Quality Permit Account--State</td>
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<td>Underground Storage Tank Account--State</td>
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<td>Environmental Excellence Account--State</td>
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<td>Biosolids Permit Account--State Appropriation</td>
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<td>Hazardous Waste Assistance Account--State</td>
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<td>Oil Spill Prevention Account--State</td>
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<td>Air Operating Permit Account--State</td>
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<td>Freshwater Aquatic Weeds Account--State</td>
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<tr>
<td>Oil Spill Response Account--State</td>
<td>$7,078,000</td>
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<tr>
<td>Metals Mining Account--State Appropriation</td>
<td>$19,000</td>
</tr>
<tr>
<td>Water Pollution Control Revolving Account--State</td>
<td>$382,000</td>
</tr>
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</table>
Water Pollution Control Revolving Account--

Federal Appropriation .................. $1,879,000
Vessel Response Account Appropriation ......... $3,000,000

TOTAL APPROPRIATION .................. $308,186,000

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

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

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

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

4. $1,000,000 of the general fund--state appropriation for fiscal year 2004 and $1,000,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for shoreline grants to local governments as required by the shoreline settlement agreement.

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

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

7. $300,000 of the state toxics control account appropriation is provided solely to implement the department's persistent...
bioaccumulative toxic (PBT) chemical strategy. The department shall
conduct baseline PBT sampling and monitoring of fish tissue at twenty
lakes per year and shall implement the mercury chemical action plan,
which shall include, but is not limited to: The development and
implementation of a memorandum of understanding with the Washington
state dental association regarding amalgam handling and disposal; the
adoption of a universal waste rule for mercury added products;
educational outreach to the medical community about disposal of
hazardous waste; and the development and implementation of a voluntary
fluorescent lamp recycling program.

(8) $3,000,000 of the vessel response account--state appropriation
is provided solely to implement House Bill No. 2241 (Puget Sound
protection). If the bill is not enacted by June 30, 2003, the amount
provided in this subsection shall lapse.

(9) $3,000,000 of the vehicle tire recycling account--state
appropriation is provided solely to implement Engrossed Substitute
House Bill No. 1705 (tire recycling). If the bill is not enacted by
June 30, 2003, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $27,991,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $27,977,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $2,672,000
General Fund--Private/Local Appropriation . . . . . . . . . . $63,000
Winter Recreation Program Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,081,000
Off Road Vehicle Account--State Appropriation . . . . . . . . $192,000
Snowmobile Account--State Appropriation . . . . . . . . . . $4,675,000
Aquatic Lands Enhancement Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $334,000
Public Safety and Education Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $47,000
Parks Renewal and Stewardship Account--
  State Appropriation . . . . . . . . . . . . . . . . . . . . . . $38,437,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $103,469,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

NEW SECTION. Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

General Fund--State Appropriation (FY 2004) ............... $283,000
General Fund--State Appropriation (FY 2005) ............... $292,000
General Fund--Federal Appropriation ....................... $16,358,000
Firearms Range Account--State Appropriation .............. $22,000
Recreation Resources Account--State Appropriation ...... $2,624,000
NOVA Program Account--State Appropriation .............. $659,000
Water Quality Account--State Appropriation .............. $200,000
TOTAL APPROPRIATION .................................. $20,438,000

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

(1) $16,000,000 of the general fund--federal appropriation is provided solely for implementation of the forest and fish agreement rules. These funds will be passed through to the department of natural resources and the department of fish and wildlife.

(2) $41,000 of the general fund--state appropriation for fiscal year 2004 and $41,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and maintenance of the natural resources data portal.
NEW SECTION.  Sec. 305.  FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund--State Appropriation (FY 2004) . . . . . . . . $955,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $992,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $1,947,000

The appropriations in this section are subject to the following conditions and limitations: $30,000 of the general fund--state appropriation for fiscal year 2004 and $20,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Engrossed Substitute Senate Bill No. 5776 (review of permit decisions). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

NEW SECTION.  Sec. 306.  FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2004) . . . . . . . . $2,186,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $2,197,000
Water Quality Account--State Appropriation . . . . . . . . . $2,168,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $6,551,000

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

(1) $247,000 of the general fund--state appropriation for fiscal year 2004 and $247,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of the Puget Sound work plan and agency action item CC-01.

(2) $68,000 of the general fund--state appropriation for fiscal year 2004 and $71,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Engrossed Second Substitute House Bill No. 1418 (drainage infrastructure). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $42,591,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $41,314,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $31,709,000
General Fund--Private/Local Appropriation . . . . . . . . . $24,372,000
Off Road Vehicle Account--State Appropriation . . . . . . . $341,000
Aquatic Lands Enhancement Account--State Appropriation $5,641,000

Public Safety and Education Account--State Appropriation $562,000

Recreational Fisheries Enhancement Account--State Appropriation $3,404,000

Warm Water Game Fish Account--State Appropriation $2,582,000

Eastern Washington Pheasant Enhancement Account--State Appropriation $750,000

Wildlife Account--State Appropriation $57,388,000

Wildlife Account--Federal Appropriation $38,325,000

Wildlife Account--Private/Local Appropriation $15,189,000

Game Special Wildlife Account--State Appropriation $1,955,000

Game Special Wildlife Account--Federal Appropriation $9,606,000

Game Special Wildlife Account--Private/Local Appropriation $350,000

Water Quality Account--State Appropriation $4,000

Environmental Excellence Account--State Appropriation $15,000

Regional Fisheries Salmonid Recovery Account--Federal Appropriation $1,750,000

Oil Spill Prevention Account--State Appropriation $982,000

Oyster Reserve Land Account--State Appropriation $137,000

TOTAL APPROPRIATION $278,967,000

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

(1) $1,355,714 of the general fund--state appropriation for fiscal year 2004, $1,355,713 of the general fund--state appropriation for fiscal year 2005, and $402,000 of the wildlife account--state appropriation are provided solely for the implementation of the Puget Sound work plan and agency action items DFW-01 through DFW-06.
(2) $225,000 of the general fund--state appropriation for fiscal year 2004, $225,000 of the general fund--state appropriation for fiscal year 2005, and $550,000 of the wildlife account--state appropriation are provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

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

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

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

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

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

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

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

(10) $43,000 of the general fund--state appropriation for fiscal year 2004 and $42,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for staffing and operation of the Tennant Lake interpretive center.
(11) $67,000 of the general fund--state appropriation for fiscal year 2004 and $67,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Second Substitute House Bill No. 1095 (small forest landowners). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(12) $238,000 of the state wildlife account--state appropriation is provided solely to implement Second Substitute House Bill No. 1725 (catch record cards). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(13) $25,000 of the general fund--state appropriation for fiscal year 2004 and $25,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Engrossed Second Substitute House Bill No. 1338 (municipal water rights). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(14) Within the amounts provided in this section, sufficient funding is provided to implement Engrossed Second Substitute House Bill No. 1418 (drainage infrastructure). The department shall enter into an interagency agreement with the conservation commission and provide up to $100,000 for the assessments leading to the development of the Skagit tide gates and estuarine habitat plans. If the bill is not enacted by June 30, 2003, this subsection shall lapse.

(15) $110,000 of the general fund--state appropriation for fiscal year 2004 and $110,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for economic adjustment assistance to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

(16) Within the amounts provided in this section, sufficient funding is provided to implement Engrossed Substitute Senate Bill No. 5375 (hydraulic project approval).

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $32,329,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $32,055,000
General Fund--Federal Appropriation . . . . . . . . . . . . $3,809,000
General Fund--Private/Local Appropriation . . . . . . . . $2,482,000
Forest Development Account--State
Appropriation $52,154,000
Off Road Vehicle Account--State
Appropriation $3,544,000
Surveys and Maps Account--State
Appropriation $2,770,000
Aquatic Lands Enhancement Account--State
Appropriation $6,889,000
Resources Management Cost Account--State
Appropriation $62,663,000
Surface Mining Reclamation Account--State
Appropriation $2,305,000
Disaster Response Account--State Appropriation $6,200,000
Water Quality Account--State Appropriation $2,497,000
Aquatic Land Dredged Material Disposal Site
Account--State Appropriation $1,357,000
Natural Resource Conservation Areas Stewardship
Account Appropriation $83,000
Air Pollution Control Account--State
Appropriation $528,000
Agricultural College Trust Management Account
Appropriation $1,876,000
Derelict Vessel Removal Account--State
Appropriation $1,130,000
TOTAL APPROPRIATION $214,671,000

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

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

2. $908,000 of the general fund--state appropriation for fiscal year 2004 and $910,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.
(3) $3,784,000 of the general fund--state appropriation for fiscal year 2004, $3,841,000 of the general fund--state appropriation for fiscal year 2005, and $6,200,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression.

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

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

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

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

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

(9) For the 2003-05 fiscal biennium, the department has revised the methodology by which administrative costs of the department are allocated among the state general fund and the various dedicated funds and accounts from which the department receives appropriations. The legislature recognizes that the revised methodology represents a fair and equitable allocation of costs under state law and accounting rules. The legislature further finds that retroactive application of the revised methodology is neither practical nor desirable.

(10) The department of natural resources shall provide a report to the appropriate committees of the legislature, the office of financial management, and the board of natural resources concerning the costs and effectiveness of the contract harvesting program as authorized by Second Substitute Senate Bill No. 5074 (contract harvesting). The report shall be submitted by December 31, 2006, and shall include the following information:
(a) Number of sales conducted through contract harvesting;
(b) For each sale conducted, the (i) number of board feet sold; (ii) stumpage and pond prices; (iii) difference in revenues received compared to revenues that would have accrued through noncontract harvest sales, and the distribution of revenues to the contract harvesting revolving account, and to applicable management and trust accounts; and (iv) total cost to conduct the contract harvest, by fund and object of expenditure; and
(c) Other costs and benefits attributable to contract harvesting.

(11) $72,000 of the general fund--state appropriation of fiscal year 2004 and $162,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Second Substitute House Bill No. 1095 (small forest landowners). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF AGRICULTURE
General Fund--State Appropriation (FY 2004) ................ $7,501,000
General Fund--State Appropriation (FY 2005) ................ $7,360,000
General Fund--Federal Appropriation ...................... $10,082,000
General fund--Private/Local Appropriation ................. $1,110,000
Aquatic Lands Enhancement Account--State Appropriation .......... $1,940,000
Water Quality Account--State Appropriation ................. $636,000
State Toxics Control Account--State Appropriation .......... $2,584,000
Water Quality Permit Account--State Appropriation .......... $110,000
TOTAL APPROPRIATION ........................................ $31,323,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $37,000 of the general fund--state appropriation for fiscal year 2004 and $37,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for implementation of the Puget Sound work plan and agency action item WSDA-01.
(2) Fees and assessments approved by the department in the 2003-05 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.
(3) $110,000 of the water quality permit account--state appropriation and $640,000 of the water quality account--state appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5889 (animal feeding operations). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

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

Pollution Liability Insurance Program Trust Account--

State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . $982,000

(End of part)
PART IV
TRANSPORTATION

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

General Fund--State Appropriation (FY 2004) ................ $5,052,000
General Fund--State Appropriation (FY 2005) ................ $5,084,000
Architects' License Account--State
  Appropriation ................................. $693,000
Cemetery Account--State Appropriation ..................... $236,000
Professional Engineers' Account--State
  Appropriation ................................. $3,027,000
Real Estate Commission Account--State Appropriation ... $7,114,000
Master License Account--State Appropriation ................ $9,093,000
Uniform Commercial Code Account--State
  Appropriation ................................. $2,976,000
Real Estate Education Account--State
  Appropriation ................................. $276,000
Real Estate Appraisers Commission Account--State
  Appropriation ................................. $927,000
Geologist's Account--State
  Appropriation ................................. $8,000
Funeral Directors and Embalmers Account--State
  Appropriation ................................. $519,000
Washington Real Estate Research Account--State
  Appropriation ................................. $308,000
Data Processing Revolving Account--State
  Appropriation ................................. $29,000
TOTAL APPROPRIATION .............................. $35,342,000

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

NEW SECTION. Sec. 402. FOR THE STATE PATROL
General Fund--State Appropriation (FY 2004) ............. $20,316,000
General Fund--State Appropriation (FY 2005) ............. $19,166,000
General Fund--Federal Appropriation ..................... $4,234,000
General Fund--Private/Local Appropriation ................. $378,000
Death Investigations Account--State
   Appropriation ........................................ $4,477,000
Public Safety and Education Account--State
   Appropriation ........................................ $19,630,000
Enhanced 911 Account--State Appropriation ................. $612,000
County Criminal Justice Assistance Account--State
   Appropriation ........................................ $3,190,000
Municipal Criminal Justice Assistance Account--
   State Appropriation ................................. $1,695,000
Fire Service Trust Account--State
   Appropriation ........................................ $125,000
Fire Service Training Account--State
   Appropriation ........................................ $7,326,000
State Toxics Control Account--State
   Appropriation ........................................ $474,000
Violence Reduction and Drug Enforcement Account--
   State Appropriation ................................. $284,000
Fingerprint Identification Account--State
   Appropriation ........................................ $4,397,000
   TOTAL APPROPRIATION ............................... $86,304,000

The appropriations in this section are subject to the following
conditions and limitations:
   (1) $750,000 of the fire services training account--state
   appropriation is provided solely for the implementation of Engrossed
   House Bill No. 1109 (fire fighting training). If the bill is not
enacted by June 30, 2003, the amount provided in this subsection shall lapse.

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

(End of part)
NEW SECTION. Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004) . . . . . . . . $11,800,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $11,777,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . $15,921,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . $39,498,000

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

(a) $10,836,000 of the general fund--state appropriation for fiscal year 2004 and $10,833,000 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.

(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.

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

(d) $120,000 of the fiscal year 2004 appropriation and $100,000 of the fiscal year 2005 appropriation are provided solely for an early learning and child care task force. The task force shall be under the joint authority of the governor and the superintendent of public instruction who shall deliver a progress report on the work of the task force to the legislature by January 15, 2004, and who shall deliver a final report to the legislature by December 1, 2004.

(i) The task force shall develop a plan for the coordination of early learning and child care programs and services, including a plan for consolidating such programs and services, as appropriate.
(ii) The governor and the superintendent of public instruction, in consultation with the task force, shall create consistent early learning goals for children younger than school age that are aligned with K-12 standards.

(iii) The task force shall consist of seventeen members as follows:

(A) Five members recommended by the child care coordinating committee, jointly appointed by the governor and the superintendent of public instruction;

(B) Four members appointed by the governor;

(C) Four members appointed by the superintendent of public instruction; and

(D) Four members of the legislature, each of whom shall serve as ex officio, nonvoting members of the task force: One appointed by the speaker of the house of representatives; one appointed by the senate majority leader; one appointed by the house of representatives minority leader; and one appointed by the senate minority leader.

(iv) The governor and the superintendent of public instruction shall each appoint a cochair of the task force from among its membership.

(v) Initial appointments to the task force shall be made within thirty days of the effective date of this act. Vacancies in the membership of the task force shall be filled in the same manner as the original appointments.

(vi) Nongovernmental members of the task force shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(e) The superintendent shall, in coordination with the department of health, develop a model nutritional policy for local school districts to consider when establishing food and nutrition policies. The model policy shall be based on current nutritional science and shall provide schools with options regarding the nutritional content of meals served in public schools, foods sold in competition with those meals, the content of course curricula regarding nutrition, and strategies to increase the physical activity of students. The superintendent shall distribute the policy to school districts and school directors for their consideration and use. On or before December 1, 2004, the superintendent shall report to appropriate policy
committees of the legislature on the extent to which school districts have adopted a food and nutrition policy.

(2) STATEWIDE PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $8,773,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $9,156,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . $66,405,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $84,334,000

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

(a) HEALTH AND SAFETY

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

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

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

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

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

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

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

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

(iv) A maximum of $194,000 of the general fund--state appropriation
for fiscal year 2004, a maximum of $194,000 of the general fund--state
appropriation for fiscal year 2005, and $400,000 of the general fund--
federal appropriation transferred from the department of health are
provided for a program that provides grants to school districts for
media campaigns promoting sexual abstinence and addressing the
importance of delaying sexual activity, pregnancy, and childbearing
until individuals are ready to nurture and support their children.
Grants to the school districts shall be for projects that are
substantially designed and produced by students. The grants shall
require a local private sector match equal to one-half of the state
grant, which may include in-kind contribution of technical or other
assistance from consultants or firms involved in public relations, advertising, broadcasting, and graphics or video production or other related fields.

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

(b) TECHNOLOGY

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

(c) GRANTS AND ALLOCATIONS

(i) $306,000 of the fiscal year 2004 appropriation and $689,000 of the fiscal year 2005 appropriation are provided solely for the special services pilot projects provided by Second Substitute House Bill No. 2012 (special services pilot program). The office of the superintendent of public instruction shall allocate these funds to the district or districts participating in the pilot program according to the provisions of section 2 subsection (4) of Second Substitute House Bill No. 2012. If Second Substitute House Bill No. 2012 is not enacted by June 30, 2003, these amounts shall lapse.

(ii) A maximum of $1,020,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $1,020,000 of the general fund--state appropriation for fiscal year 2005 are provided for alternative certification routes. Funds may be used by the professional educator standards board to continue existing alternative-route grant programs and to create new alternative-route programs in regions of the state with service shortages.

(iii) A maximum of $31,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $31,000 of the general fund--state appropriation for fiscal year 2005 are provided for operation of the Cispus environmental learning center.
(iv) A maximum of $1,224,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $1,224,000 of the general fund--state appropriation for fiscal year 2005 are provided for in-service training and educational programs conducted by the Pacific Science Center.

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2004) . . . . . . $3,968,730,000
General Fund--State Appropriation (FY 2005) . . . . . . $3,975,501,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $7,944,231,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Fringe benefit allocations shall be calculated at a rate of
9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05
school year for certificated salary allocations provided under
subsection (2) of this section, and a rate of 12.24 percent in the
2003-04 school year and 12.24 percent in the 2004-05 school year for classified salary allocations provided under subsection (3) of this section.

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

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

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

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

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

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

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

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

(9) The superintendent may distribute a maximum of $5,422,000
outside the basic education formula during fiscal years 2004 and 2005
as follows:

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

(b) For summer vocational programs at skills centers, a maximum of
$2,035,000 may be expended for the 2004 fiscal year and a maximum of
$2,035,000 for the 2005 fiscal year; and

(c) A maximum of $353,000 may be expended for school district
emergencies.

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

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

(a) For three school years following consolidation, the number of
basic education formula staff units shall not be less than the number
of basic education formula staff units received by the districts in the
school year prior to the consolidation; and
(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.

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

(a) Salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 12E for the appropriate months, by the district's average staff mix factor for certificated instructional staff in that school year, computed using LEAP Document 15; and

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

(2) For the purposes of this section:

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

(b) "LEAP Document 12E" means the computerized tabulation of 2003-04 and 2004-05 school year salary allocations for the appropriate months for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on April 14, 2003, at 04:09 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 9.04 percent for school year 2003-04 and 9.04
percent for school year 2004-05 for certificated staff and for
classified staff 8.74 percent for school year 2003-04 and 8.74 percent
for the 2004-05 school year.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
allocation schedules for certificated instructional staff are
established for basic education salary allocations:

K-12 Salary Allocation Schedule For Certificated Instructional Staff
From September 1, 2003 through December 31, 2003

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K-12 Salary Allocation Schedule For Certificated Instructional Staff
From January 1, 2004 through December 31, 2004

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>BA</th>
<th>BA+15</th>
<th>BA+30</th>
<th>BA+45</th>
<th>BA+90</th>
<th>BA+135</th>
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<td>Years of Service</td>
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<td>BA+15</td>
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<td>MA+45 or PHD</td>
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<tr>
<td>15</td>
<td>50,873</td>
<td>53,379</td>
<td>50,906</td>
<td>54,183</td>
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<tr>
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<td>55,267</td>
<td>57,720</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

K-12 Salary Allocation Schedule For Certificated Instructional Staff
From January 1, 2005 through August 31, 2005
(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

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

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

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

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

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

(a) The employee has a masters degree; or

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

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

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

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

General Fund--State Appropriation (FY 2004) ............ $66,366,000
General Fund--State Appropriation (FY 2005) ............ $217,328,000
General Fund--Federal Appropriation ..................... $309,000
TOTAL APPROPRIATION .......................... $284,003,000

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

(1) A total of $140,667,000 is provided for a cost of living
adjustment for state formula staff units of 2.0 percent effective
January 1, 2004, and 1.9 percent effective on January 1, 2005. The
appropriations include associated incremental fringe benefit
allocations at rates of 9.04 percent for school year 2003-04 and 9.04
percent for school year 2004-05 for certificated staff and 8.74 percent
for school year 2003-04 and 8.74 for school year 2004-05 for classified
staff.

(a) The appropriations in this section include the increased
portion of salaries and incremental fringe benefits for all relevant
state-funded school programs in part V of this act. Salary adjustments
for state employees in the office of superintendent of public
instruction and the education reform program are provided in part VII
of this act. Increases for general apportionment (basic education) are
based on the salary allocation schedules and methodology in section 502
of this act. Increases for special education result from increases in
each district's basic education allocation per student. Increases for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in section 502 of this act.

(b) The appropriations in this section provide cost-of-living and incremental fringe benefit allocations based on formula adjustments as follows:

<table>
<thead>
<tr>
<th>School Year</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupil Transportation (per weighted pupil mile)</td>
<td>$0.45</td>
<td>$0.88</td>
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<tr>
<td>Highly Capable (per formula student)</td>
<td>$4.83</td>
<td>$9.52</td>
</tr>
<tr>
<td>Transitional Bilingual Education (per eligible bilingual student)</td>
<td>$12.95</td>
<td>$25.49</td>
</tr>
<tr>
<td>Learning Assistance (per entitlement unit)</td>
<td>$6.43</td>
<td>$12.67</td>
</tr>
<tr>
<td>Substitute Teacher (allocation per teacher, section 502(7))</td>
<td>$10.62</td>
<td>$20.91</td>
</tr>
</tbody>
</table>

(2) $143,336,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is $457.07 per month for the 2003-04 and 2004-05 school years. The appropriations in this section provide for a rate increase to $496.69 per month for the 2003-04 school year and $584.69 per month for the 2004-05 school year at the following rates:

<table>
<thead>
<tr>
<th>School Year</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupil Transportation (per weighted pupil mile)</td>
<td>$0.36</td>
<td>$1.16</td>
</tr>
<tr>
<td>Highly Capable (per formula student)</td>
<td>$2.44</td>
<td>$7.86</td>
</tr>
<tr>
<td>Transitional Bilingual Education (per eligible bilingual student)</td>
<td>$6.41</td>
<td>$20.66</td>
</tr>
<tr>
<td>Learning Assistance (per entitlement unit)</td>
<td>$5.04</td>
<td>$16.24</td>
</tr>
</tbody>
</table>

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

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

General Fund--State Appropriation (FY 2004) . . . . . . . . $209,708,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

4. Allocations for transportation of students shall be based on reimbursement rates of $39.20 per weighted mile in the 2003-04 school year and $39.43 per weighted mile in the 2004-05 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

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

General Fund--State Appropriation (FY 2004) $3,100,000
General Fund--State Appropriation (FY 2005) $3,100,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

General Fund--State Appropriation (FY 2004) ........... $437,640,000
General Fund--State Appropriation (FY 2005) ........... $440,668,000
General Fund--Federal Appropriation .................. $409,891,000
TOTAL APPROPRIATION ............................... $1,288,199,000

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

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

2. (a) The superintendent of public instruction shall use the excess cost methodology developed and implemented for the 2001-02 school year using the S-275 personnel reporting system and all related accounting requirements to ensure that:
   (i) Special education students are basic education students first;
   (ii) As a class, special education students are entitled to the full basic education allocation; and
(iii) Special education students are basic education students for the entire school day.

(b) The S-275 and accounting changes in effect since the 2001-02 school year shall supercede any prior excess cost methodologies and shall be required of all school districts.

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

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

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

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

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

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

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

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

(b) "Enrollment percent" means the district's resident special education annual average enrollment, excluding the birth through age two enrollment, as a percent of the district's annual average full-time equivalent basic education enrollment.

Each district's general fund--state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent. Increases in enrollment percent from 12.7 percent to 13.0 percent shall be funded from the general fund--federal appropriation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

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

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

NEW SECTION. Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS

Public Safety and Education Account

Appropriation $4,456,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The appropriation shall lapse if House Bill No. 1796 (driver's education funding) is not enacted by June 30, 2003.

(2) If House Bill No. 1796 is enacted by June 30, 2003, districts shall receive the following allocations: The maximum allocation to provide tuition assistance for students eligible for free and reduced price lunch who complete the program shall be $169.78 per eligible student in the 2003-04 school year and $182.14 per eligible student in the 2004-05 school year.
NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2004) . . . . . . . . $3,537,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $3,537,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $7,074,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.310.340, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2004) . . . . . . . . $157,075,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $157,444,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $314,519,000

The appropriations in this section are subject to the following conditions and limitations: Local effort assistance calculations under chapter 28A.500 RCW shall be adjusted by multiplying allocations and maximum eligibility for each district by .883 as authorized by House Bill No. 2251 (levy equalization).

NEW SECTION. Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . . $18,596,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $19,092,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $37,688,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

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

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

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . . . . . $6,597,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . . . . . $6,614,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $13,211,000
The appropriations in this section are subject to the following conditions and limitations:

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of $334.89 per funded student for the 2003-04 school year and $334.89 per funded student for the 2004-05 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

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

(4) $90,000 of the fiscal year 2004 appropriation and $90,000 of the fiscal year 2005 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT

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

NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2004) ......... $38,083,000
General Fund--State Appropriation (FY 2005) ......... $35,979,000
General Fund--Federal Appropriation ................. $128,402,000
TOTAL APPROPRIATION ................................ $202,464,000

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

(1) $310,000 of the general fund--state appropriation for fiscal year 2004 and $310,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the academic achievement and accountability commission.
(2) $16,542,000 of the general fund--state appropriation for fiscal year 2004, $13,504,000 of the general fund--state appropriation for fiscal year 2005, and $15,455,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington assessments of student learning. Of the general fund--state amounts provided:

(a) $419,000 in fiscal year 2004 and $629,000 in fiscal year 2005 are for providing high school students who are not successful in one or more content areas of the Washington assessment of student learning the opportunity to retake the test; developing alternative assessments; and a task force on best practices to provide additional assistance to students, as provided in Second Substitute House Bill No. 2124 (high school requirements). If Second Substitute House Bill No. 2124 is not enacted by June 30, 2003, the amounts in this subsection (a) shall lapse.

(b) $450,000 in fiscal year 2004 is for independent research on the alignment and technical review of the reading, writing, and science content areas of the Washington assessment of student learning, as provided by Engrossed Substitute House Bill No. 2195 (state academic standards). If Engrossed Substitute House Bill No. 2195 is not enacted by June 30, 2003, the amount in this subsection (b) shall lapse.

(3) $548,000 of the fiscal year 2004 general fund--state appropriation and $548,000 of the fiscal year 2005 general fund--state appropriation are provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

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

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

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

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

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

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

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

(vi) Guidance and assistance in the development and implementation of a professional growth plan. The plan shall include a professional self-evaluation component and one or more informal performance assessments. A peer mentor may not be involved in any evaluation under RCW 28A.405.100 of a beginning teacher whom the peer mentor has assisted through this program.

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

(i) Strong collaboration among the peer mentor, the beginning teacher's principal, and the beginning teacher;
(ii) Stipends for peer mentors and, at the option of a district, for beginning teachers. The stipends shall not be deemed compensation for the purposes of salary lid compliance under RCW 28A.400.200 and are not subject to the continuing contract provisions of Title 28A RCW; and

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

(5) $1,959,000 of the general fund--state appropriation for fiscal year 2004 and $1,959,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW. The superintendent of public instruction shall coordinate a process to facilitate the evaluation and provision of online curriculum courses to school districts which includes the following: Creation of a general listing of the types of available online curriculum courses; a survey conducted by each regional educational technology support center of school districts in its region regarding the types of online curriculum courses desired by school districts; a process to evaluate and recommend to school districts the best online courses in terms of curriculum, student performance, and cost; and assistance to school districts in procuring and providing the courses to students.

(6) $3,594,000 of the general fund--state appropriation for fiscal year 2004 and $3,594,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to RCW 70.190.040.
(7) $2,500,000 of the general fund--state appropriation for fiscal year 2004 and $2,500,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the meals for kids program under RCW 28A.235.145 through 28A.235.155.

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

(9) A maximum of $480,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $480,000 of the general fund--state appropriation for fiscal year 2005 are provided for summer accountability institutes offered by the superintendent of public instruction and the academic achievement and accountability commission. The institutes shall provide school district staff with training in the analysis of student assessment data, information regarding successful district and school teaching models, research on curriculum and instruction, and planning tools for districts to improve instruction in reading, mathematics, language arts, and guidance and counseling.

(10) $3,713,000 of the general fund--state appropriation for fiscal year 2004 and $3,713,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the Washington reading corps subject to the following conditions and limitations:

(a) Grants shall be allocated to schools and school districts to implement proven, research-based mentoring and tutoring programs in reading for low-performing students in grades K-6. If the grant is made to a school district, the principals of schools enrolling targeted students shall be consulted concerning design and implementation of the program.

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

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

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

(i) The program employs methods of teaching and student learning based on reliable reading/literacy research and effective practices;
(ii) The program design is comprehensive and includes instruction, on-going student assessment, professional development, parental/community involvement, and program management aligned with the school's reading curriculum;

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

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

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

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

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

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

(11) $1,564,000 of the general fund--state appropriation for fiscal year 2004 and $2,497,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for salary bonuses for teachers who attain certification by the national board for professional teaching standards, subject to the following conditions and limitations:

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

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

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

(13) $70,000 of the general fund--state appropriation for fiscal year 2004 and $70,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the second grade reading test. The funds shall be expended for assessment training for new second grade teachers and replacement of assessment materials.

(14) $266,000 of the general fund--state appropriation for fiscal year 2004 and $266,000 of the general fund--state appropriation for fiscal year 2005 are provided for the superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.

(15) $126,000 of the general fund--state appropriation for fiscal year 2004 and $126,000 of the general fund--state appropriation for fiscal year 2005 are provided for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers implementing higher academic standards.

(16) $3,046,000 of the general fund--state appropriation for fiscal year 2004 and $3,046,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to the office of the superintendent of public instruction for focused assistance. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Each educational audit shall include recommendations for best practices and ways to address identified needs and shall be presented to the community in a public
meetings to seek input on ways to implement the audit and its recommendations.

(17) $87,901,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

(18) $25,046,000 of the general fund--federal appropriation is provided for the reading first program under Title I of the no child left behind act.

NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . $49,791,000
General Fund--State Appropriation (FY 2005) . . . . . . . $52,062,000
General Fund--Federal Appropriation (FY 2005) . . . . . . $46,309,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $148,162,000

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

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

(2) The superintendent shall distribute a maximum of $725.11 per eligible bilingual student in the 2003-04 school year and $725.11 in the 2004-05 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

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

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

(5) The general fund--federal appropriation in this section is provided for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.
NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2004) . . . . . . . . $65,384,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $64,049,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $307,178,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $436,611,000

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

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

(b) Funding for school district learning assistance programs shall be allocated at maximum rates of $432.14 per funded unit for the 2003-04 school year and $433.01 per funded unit for the 2004-05 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

(c) For purposes of this section, "test results" refers to the district results from the norm-referenced test administered in the specified grade level. The norm-referenced test results used for the third and sixth grade calculations shall be consistent with the third and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

(d) A school district's general fund--state funded units shall be the sum of the following:

(i) The district's full-time equivalent enrollment in grades K-6, multiplied by the 5-year average 4th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.82. As the 3rd grade test becomes available, it shall be phased into the 5-year average on a 1-year lag;

(ii) The district's full-time equivalent enrollment in grades 7-9, multiplied by the 5-year average 8th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.82. As the 6th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag;

(iii) The district's full-time equivalent enrollment in grades 10-11 multiplied by the 5-year average 11th grade lowest quartile test
1 results, multiplied by 0.82. As the 9th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag;

(iv) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent; and

(v) In addition to amounts allocated under (d) of this subsection, for school districts in which the effective Title I Part A (basic program) increase is insufficient to cover the formula change in the multiplier from .92 to .82, a state allocation shall be provided that, when combined with the effective increase in federal Title I Part A (basic program) funds from the 2001-02 school year, is sufficient to cover this amount. The effective Title I Part A (basic program) increase is the current school year federal Title I Part A (basic program) allocation minus the 2001-02 school year federal Title I Part A (basic program) allocation, after the 2001-02 Title I Part A allocation has been inflated by three percent.

(2) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

NEW SECTION. Sec. 517. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM

Student Achievement Fund--State

Appropriation (FY 2004) . . . . . . . . . . . . . . . . . . . . . . $203,123,000

Student Achievement Fund--State

Appropriation (FY 2005) . . . . . . . . . . . . . . . . . . . . . . $317,803,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $520,926,000

(1) The entire fiscal year 2004 appropriation and $303,373,000 of the fiscal year 2005 appropriation are subject to the following conditions and limitations:

(a) Funding for school district student achievement programs shall be allocated at a maximum rate of $211.67 per FTE student for the 2003-
04 school year and $316.00 per FTE student for the 2004-05 school year. For the purposes of this section and in accordance with RCW 84.52.068, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year.

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

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

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

(iii) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;

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

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

(vi) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (i) through (iii) of this subsection (b).

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

(2) $14,430,000 of the fiscal year 2005 appropriation shall be
allocated for class size reduction and expanded learning opportunities as follows:

(a) For the 2004-05 school year, an additional .8 certificated instructional staff units for grades K-4 per thousand full-time equivalent students are provided to supplement the certificated staffing allocations under section 502(2)(a) of this act. Funds allocated for these additional certificated units shall not be considered as basic education funding. The allocation may be used for reducing class sizes in grades K-4 or to provide additional classroom contact hours for kindergarten, before-and-after-school programs, weekend school programs, summer school programs, and intercession opportunities to assist elementary school students in meeting the essential academic learning requirements and student assessment performance standards. For purposes of this subsection (2), additional classroom contact hours provided by teachers beyond the normal school day under a supplemental contract shall be converted to a certificated full-time equivalent by dividing the classroom contact hours by 900.

(b) Funds provided under this subsection (2) shall be allocated only if the district documents an actual ratio in grades K-4 equal to or greater than 54.0 certificated instructional staff per thousand full-time students.

(c) Salary calculations, nonemployee related costs, and substitute teacher allocations shall be calculated in the same manner as provided under section 502 of this act. The allocation includes salary and benefit increases equivalent to those provided under section 503 of this act.

(d) Funds provided under this subsection (2) shall be apportioned according to the monthly schedule established in RCW 28A.510.250.

NEW SECTION. Sec. 518. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS. State general fund appropriations provided to the superintendent of public instruction for state entitlement programs in the public schools in this part V of this act may be expended as needed by the superintendent for adjustments to apportionment for prior fiscal periods. Recoveries of state general fund moneys from school districts and educational service districts for a prior fiscal period shall be made as reductions in apportionment payments for the current fiscal
period and shall be shown as prior year adjustments on apportionment
reports for the current period. Such recoveries shall not be treated
as revenues to the state, but as a reduction in the amount expended
against the appropriation for the current fiscal period.

NEW SECTION. Sec. 519. FOR THE STATE BOARD OF EDUCATION
Education Savings Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $27,000,000
Education Construction Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $51,350,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $78,350,000

The appropriations in this section are subject to the following
conditions and limitations:
   (1) $13,500,000 in fiscal year 2004 and $13,500,000 in fiscal year
       2005 of the education savings account appropriation shall be deposited
       in the common school construction account.
   (2) $22,925,000 in fiscal year 2004 and $28,425,000 in fiscal year
       2005 of the education construction account appropriation shall be
       deposited in the common school construction account.
NEW SECTION. Sec. 601. The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

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

(2)(a) The salary increases provided or referenced in this subsection shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

(b) Each institution of higher education shall provide to each classified staff employee as defined by the office of financial management, except for classified staff at the technical colleges, a salary increase of 2.0 percent on September 1, 2004. The technical colleges shall provide to classified employees under chapter 41.56 RCW an average salary increase of 2.0 percent on January 1, 2004, and 1.9 percent on January 1, 2005.

(c) Each institution of higher education, except for the community and technical colleges, shall provide to state-funded instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants as classified by the office of financial management, and all other state-funded nonclassified staff, including those employees under RCW 28B.16.015, an average salary increase of 2.0 percent on September 1, 2004.

(d) The community and technical colleges shall provide to state-funded academic employees, as defined in RCW 28B.52.020 pursuant to the provisions of Initiative Measure No. 732, an average salary increase of 2.0 percent on January 1, 2004, and 1.9 percent on January 1, 2005.
(e) The community and technical colleges shall provide to state-funded exempt professional staff and academic administrators a salary increase of 2.0 percent on September 1, 2004.

(f) For the salary increases identified in (c), (d), and (e) of this subsection, each institution may provide the same average increases to similar positions that are not state-funded.

(g) For employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1), distribution of the salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(h) Each institution of higher education receiving appropriations for salary increases under sections 604 through 609 of this act may provide additional salary increases from other sources to instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any additional salary increase granted under the authority of this subsection (2)(h) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that general fund--state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(h).

(i) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the department of personnel for inclusion in the department's data warehouse. Uniform reporting procedures shall be established by the department of personnel for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.
(j) Specific salary increases authorized in sections 603 through 609 of this act are in addition to any salary increase provided in this subsection.

(3) The tuition fees, as defined in chapter 28B.15 RCW, charged to full-time students at the state's institutions of higher education for the 2003-04 and 2004-05 academic years, other than the summer term, may be adjusted by the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges as provided in this subsection. Tuition fees may be increased in excess of the fiscal growth factor.

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

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

(c) For the 2003-04 and 2004-05 academic years, the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges may adjust tuition fees for other than resident undergraduate students at their discretion.

(d) For the 2003-05 biennium, the state board for community and technical colleges may increase tuition fees differentially at their discretion.

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

(4) In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or
a portion of operating fees for any student. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under this subsection.

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

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

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

(8) The state board for community and technical colleges shall develop a biennial plan to achieve measurable and specific improvements each academic year as part of a continuing effort to make meaningful and substantial progress to achieve long-term performance goals. The board shall set biennial performance targets for each college or district, where appropriate, and shall review actual achievements annually. Colleges shall track their actual performance on the statewide measures. A report on progress towards the statewide goals,
with recommendations for the ensuing biennium, shall be submitted to
the fiscal and higher education committees of the legislature by
November 15, 2005.

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

<table>
<thead>
<tr>
<th>Institution</th>
<th>2003-04 Annual</th>
<th>2004-05 Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Washington</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main campus</td>
<td>32,427</td>
<td>32,427</td>
</tr>
<tr>
<td>Bothell branch</td>
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<tr>
<td>Tacoma branch</td>
<td>1,484</td>
<td>1,484</td>
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<tr>
<td>Washington State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main campus</td>
<td>17,348</td>
<td>17,364</td>
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<tr>
<td>Spokane branch</td>
<td>593</td>
<td>593</td>
</tr>
<tr>
<td>Tri-Cities branch</td>
<td>616</td>
<td>616</td>
</tr>
<tr>
<td>Vancouver branch</td>
<td>1,153</td>
<td>1,153</td>
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<tr>
<td>Central Washington University</td>
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<tr>
<td>Eastern Washington University</td>
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<tr>
<td>The Evergreen State College</td>
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<tr>
<td>Western Washington University</td>
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</tr>
<tr>
<td>State Board for Community and Technical Colleges</td>
<td>125,872</td>
<td>125,872</td>
</tr>
</tbody>
</table>

NEW SECTION. Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND
TECHNICAL COLLEGES
General Fund--State Appropriation (FY 2004) . . . . . . . . . $529,351,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . $547,153,000
Student Achievement Fund--State Appropriation (FY 2005) . . $6,168,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $1,082,672,000

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

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

2. $2,500,000 of the general fund--state appropriation for fiscal year 2004 and $2,500,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to increase salaries and related benefits for part-time faculty. The board shall report by January 30 of each fiscal year to the office of financial management and legislative fiscal and higher education committees on (a) the distribution of state funds; (b) wage adjustments for part-time faculty; and (c) progress to achieve the long-term performance targets for each district, with respect to use of part-time faculty, pursuant to the faculty mix study conducted under section 603, chapter 309, Laws of 1999.

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

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

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

   (a) Bates Technical College;
(b) Bellevue Community College;
(c) Centralia Community College;
(d) Clover Park Community College;
(e) Grays Harbor Community College;
(f) Green River Community College;
(g) Highline Community College;
(h) Tacoma Community College;
(i) Olympic Community College;
(j) Pierce District;
(k) Seattle District; and
(l) South Puget Sound Community College.

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

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

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

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

(10) $212,000 of the general fund--state appropriation for fiscal year 2004 and $212,000 of the general fund--state appropriation for fiscal year 2005 are provided for allocation to Olympic college. The college shall contract with accredited baccalaureate institution(s) to bring a program of upper-division courses to Bremerton. The state board for community and technical colleges shall report to the office
of financial management and the fiscal and higher education committees of the legislature on the implementation of this subsection by December 1st of each fiscal year.

(11) $125,000 of the general fund--state appropriation for fiscal year 2004 and $125,000 of the general fund--state appropriation for fiscal year 2005 are provided solely and on a one-time basis to start up a college district consortium organized under the name "alliance for corporate education." Financial operations shall be self-sustaining by no later than June 30, 2005.

(12) $6,167,000 of the general fund--state appropriation for fiscal year 2004 and $6,168,000 of the student achievement fund--state appropriation for fiscal year 2005 are provided solely to expand enrollment in high-demand fields. High-demand fields means (a) health care; (b) viticulture and enology; and (c) expansion of worker retraining programs. The state board will manage a competitive process for awarding these resources to the college districts.

NEW SECTION. Sec. 604. FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2004) ............. $328,591,000
General Fund--State Appropriation (FY 2005) ............. $343,209,000
Death Investigations Account--State Appropriation .............. $261,000
Accident Account--State Appropriation ...................... $5,960,000
Medical Aid Account--State Appropriation ................... $5,974,000
Student Achievement Fund--State Appropriation (FY 2005) .. $1,250,000
TOTAL APPROPRIATION ..................................... $685,245,000

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

(1) $1,875,000 of the general fund--state appropriation for fiscal year 2004 and $1,875,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to create a state resource for technology education in the form of an institute located at the University of Washington, Tacoma. The university will continue to provide undergraduate and graduate degree programs meeting regional technology needs including, but not limited to, computing and software systems. As a condition of these appropriations:
(a) The university will work with the state board for community and technical colleges, or individual colleges where necessary, to establish articulation agreements in addition to the existing associate of arts and associate of science transfer degrees. Such agreements shall improve the transferability of students and in particular, students with substantial applied information technology credits.

(b) The university will establish performance measures for recruiting, retaining and graduating students, including nontraditional students, and report back to the governor and legislature by September 2002 as to its progress and future steps.

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

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

(4) $150,000 of the general fund--state appropriation for fiscal year 2004 and $150,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of the Puget Sound work plan and agency action item UW-01.

(5) $75,000 of the general fund--state appropriation for fiscal year 2004 and $75,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the Olympic natural resource center.

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

(7) $1,250,000 of the general fund--state appropriation for fiscal year 2004 and $1,250,000 of the student achievement fund--state
appropriation for fiscal year 2005 are provided solely for state match
to attract or retain federal research grants in high demand and
technologically advanced fields.

NEW SECTION.  Sec. 605. FOR WASHINGTON STATE UNIVERSITY
General Fund--State Appropriation (FY 2004)     .     .     .     .     $191,508,000
General Fund--State Appropriation (FY 2005)     .     .     .     .     $199,888,000
Student Achievement Fund--State Appropriation (FY 2005) . . $1,014,000
 TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . $392,410,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) $150,000 of the general fund--state appropriation for fiscal
year 2004 and $150,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for research faculty clusters in
the advanced technology initiative program.
(2) $165,000 of the general fund--state appropriation for fiscal
year 2004 and $166,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the implementation of the
Puget Sound work plan and agency action item WSU-01.
(3) $949,000 of the general fund--state appropriation for fiscal
year 2004 and $1,927,000 of general fund--state appropriation for
fiscal year 2005 are provided solely for competitively offered
recruitment and retention salary adjustments for instructional and
research faculty, exempt professional staff, academic administrators,
academic librarians, counselors, teaching and research assistants, as
classified by the office of financial management, and all other
nonclassified staff, but not including employees under RCW 28B.16.015.
Tuition revenues may be expended in addition to those required by this
section to further provide recruitment and retention salary
adjustments.
(4) $507,000 of the general fund--state appropriation for fiscal
year 2004 and $1,014,000 of the student achievement fund--state
appropriation for fiscal year 2005 are provided solely to expand
enrollment in high-demand fields. High-demand fields means veterinary
medicine. Within the amounts provided in this subsection, the
university shall expand the entering class of veterinary medicine
students by 16 full-time equivalent resident students each academic year during the 2003-05 biennium.

NEW SECTION.  Sec. 606.  FOR EASTERN WASHINGTON UNIVERSITY
General Fund--State Appropriation (FY 2004) . . . . . . . $43,337,000
General Fund--State Appropriation (FY 2005) . . . . . . . $44,802,000
Student Achievement Fund--State Appropriation (FY 2005) . . $587,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $88,726,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $248,000 of the general fund--state appropriation for fiscal year 2004 and $503,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.
(2) $587,000 of the general fund--state appropriation for fiscal year 2004 and $587,000 of the student achievement fund--state appropriation for fiscal year 2005 are provided solely to expand enrollment in high-demand fields. High-demand fields means health sciences and computing and engineering sciences.

NEW SECTION.  Sec. 607.  FOR CENTRAL WASHINGTON UNIVERSITY
General Fund--State Appropriation (FY 2004) . . . . . . . $42,651,000
General Fund--State Appropriation (FY 2005) . . . . . . . $44,891,000
Student Achievement Fund--State Appropriation (FY 2005) . . $400,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $87,942,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $1,652,000 of the general fund--state appropriation for fiscal year 2004 and $1,652,000 of the general fund--state appropriation for fiscal year 2005 are provided to expand university enrollment by 306 full-time equivalent students.
(2) $206,000 of the general fund--state appropriation for fiscal year 2004 and $418,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

(3) $400,000 of the general fund--state appropriation for fiscal year 2004 and $400,000 of the student achievement fund--state appropriation for fiscal year 2005 are provided solely to expand enrollment in high-demand fields. High-demand fields means special education and elementary math and science programs.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . . $24,144,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . $25,206,000
Student Achievement Fund--State Appropriation (FY 2005) . . $273,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $49,623,000

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

(1) $124,000 of the general fund--state appropriation for fiscal year 2004 and $252,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

(2) $272,000 of the general fund--state appropriation for fiscal year 2004 and $273,000 of the student achievement fund--state appropriation for fiscal year 2005 are provided solely to expand
enrollment in high-demand fields. High-demand fields means reservation
based tribal programs for undergraduate students.

(3) The Washington state institute for public policy shall research
the following issues and provide reports to the legislature as
directed. The institute board shall prioritize and schedule all
studies based on staff capacity.

(a) $110,000 of the general fund--state appropriation for fiscal
year 2004 is provided solely for the Washington state institute for
public policy to review research assessing the effectiveness of
prevention and early intervention programs concerning children and
youth, including but not limited to, programs designed to reduce the
at-risk behaviors for children and youth identified in RCW
70.190.010(4).

Using this research, the institute shall identify specific
research-proven programs that produce a positive return on the dollar
compared to the costs of the program. The institute shall also develop
criteria designed to ensure quality implementation and program fidelity
of research-proven programs in the state. The criteria shall include
measures for ongoing monitoring and continual improvement of treatment
delivery, and shall be feasible for inclusion in a contract for
services. The institute shall develop recommendations for potential
state legislation that encourages local government investment in
research-proven prevention and early intervention programs by
reimbursing local governments for a portion of the savings that accrue
to the state as the result of local investments in such programs. The
institute shall present a preliminary report of its findings to the
appropriate committees of the legislature by December 1, 2003, and
shall present a final report by March 1, 2004.

This study incorporates all studies outlined in Substitute House
Bill No. 1028 (at-risk youth study), Substitute House Bill No. 1824
(treatment for juveniles), and Second Substitute House Bill No. 1841
(family services/intervention).

(b) $26,000 of the general fund--state appropriation for fiscal
year 2004 is provided solely for the Washington state institute for
public policy to develop adherence and outcome standards for measuring
the effectiveness of treatment programs referred to in Engrossed Second
Substitute Senate Bill No. 5903 (juvenile offender sentencing). The standards shall be developed and presented to the governor and legislature by no later than January 1, 2004.

(c) $100,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for the Washington state institute for public policy to study the relationship between prison overcrowding and construction, and the current state criminal sentencing structure.

(i) The institute shall determine whether any changes could be made to the current state sentencing structure to address prison overcrowding and the need for new prison construction, giving great weight to the primary purposes of the criminal justice system. These purposes include: Protecting community safety; making frugal use of state and local government resources by concentrating resources on violent offenders and sex offenders who pose the greatest risk to our communities; achieving proportionality in sentencing; and reducing the risk of reoffending by offenders in the community.

(ii) In developing its research plan, the institute may consult with the sentencing guidelines commission, the caseload forecast council, and interested stakeholders.

(iii) The institute for public policy shall present a preliminary report of its findings to the governor and to the appropriate standing committees of the legislature by December 15, 2003, and shall present a final report regarding its findings and recommendations by March 15, 2004.

NEW SECTION. Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2004) . . . . . . . . . $57,338,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . $59,880,000
Student Achievement Fund--State Appropriation (FY 2005) . . . $643,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $117,861,000

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

(1) $980,400 of the general fund--state appropriation for fiscal year 2004 and $980,400 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operations of the North Snohomish, Island, Skagit (NSIS) higher education consortium.
(2) $248,000 of the general fund--state appropriation for fiscal year 2004 and $503,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

(3) $642,000 of the general fund--state appropriation for fiscal year 2004 and $643,000 of the student achievement fund--state appropriation for fiscal year 2005 are provided solely to expand enrollment in high-demand fields. High-demand fields means special education, computer science, and information technology.

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

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $2,195,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $2,194,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $642,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $5,031,000

The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) Within the appropriations provided in this section, funds are provided to continue the teacher training pilot program pursuant to chapter 28B.80 RCW until standing authority for this program expires as scheduled on January 1, 2005.

(2) $175,000 of the general fund--state appropriation for fiscal year 2004 and $175,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to continue a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.
BOARD--FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2004) ............... $142,945,000
General Fund--State Appropriation (FY 2005) ............... $143,265,000
General Fund--Federal Appropriation ......................... $7,534,000
Student Achievement Fund--State Appropriation (FY 2005) .. $6,050,000

TOTAL APPROPRIATION ........................................ $299,794,000

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

(1) $259,000 of the general fund--state appropriation for fiscal year 2004 and $273,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the western interstate commission for higher education.

(2) $1,100,000 of the general fund--state appropriation for fiscal year 2004 and $1,100,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the health professional conditional scholarship and loan program under chapter 28B.115 RCW. This amount shall be deposited to the health professional loan repayment and scholarship trust fund to carry out the purposes of the program.

(3) $75,000 of the general fund--state appropriation for fiscal year 2004 and $75,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

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

(5) $109,391,000 of the general fund--state appropriation for fiscal year 2004 and $115,411,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the state need grant program.
(a) After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program.

(b) For the 2003-05 biennium, state need grant awards for students who attend independent baccalaureate institutions shall not exceed average tuition at the public regional universities as defined by RCW 28B.35.010.

(6) $17,048,000 of the general fund--state appropriation for fiscal year 2004 and $17,048,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the state work study program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state work study program may be transferred to the state need grant program. In addition to the administrative allowance in subsection (12) of this section, four percent of the general fund--state amount in this subsection may be expended for state work study program administration.

(7) $2,867,000 of the general fund--state appropriation for fiscal year 2004 and $2,867,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for educational opportunity grants. The board may deposit sufficient funds from its appropriation into the state education trust fund as established in RCW 28B.10.821 to provide a one-year renewal of the grant for each new recipient of the educational opportunity grant award. For the purpose of establishing eligibility for the educational opportunity grant program for placebound students under RCW 28B.101.020, Thurston county lies within the branch campus service area of the Tacoma branch campus of the University of Washington.

(8) $1,881,000 of the general fund--state appropriation for fiscal year 2004 and $2,079,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement the Washington scholars program. Any Washington scholars program moneys not awarded by April 1st of each year may be transferred by the board to the Washington award for vocational excellence.

(9) $778,000 of the general fund--state appropriation for fiscal year 2004 and $815,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Washington award for
vocational excellence program. Any Washington award for vocational 
program moneys not awarded by April 1st of each year may be transferred 
by the board to the Washington scholars program.

(10) $246,000 of the general fund--state appropriation for fiscal 
year 2004 and $246,000 of the general fund--state appropriation for 
fiscal year 2005 are provided solely for community scholarship matching 
grants of $2,000 each. To be eligible for the matching grant, a 
nonprofit community organization organized under section 501(c)(3) of 
the internal revenue code must demonstrate that it has raised $2,000 in 
new moneys for college scholarships after the effective date of this 
act. An organization may receive more than one $2,000 matching grant 
and preference shall be given to organizations affiliated with the 
citizens' scholarship foundation.

(11) Subject to state need grant service requirements pursuant to 
chapter 28B.119 RCW, $6,050,000 of the general fund--state 
appropriation for fiscal year 2004 and $6,050,000 of the student 
achievement fund--state appropriation for fiscal year 2005 are provided 
solely for the Washington promise scholarship program.

(12) $2,649,000 of the general fund--state appropriation for fiscal 
year 2004 and $2,649,000 of the general fund--state appropriation for 
fiscal year 2005 are provided solely for financial aid administration, 
in addition to the four percent cost allowance provision for state work 
study under subsection (6) of this section. These funds are provided 
to administer all the financial aid and grant programs assigned to the 
board by the legislature and administered by the agency. To the extent 
the executive director finds the agency will not require the full sum 
provided in this subsection, a portion may be transferred to supplement 
financial grants-in-aid to eligible clients after notifying the board 
and the office of financial management of the intended transfer.

(13) $539,000 of the general fund--state appropriation for fiscal 
year 2004 and $540,000 of the general fund--state appropriation for 
fiscal year 2005 are provided solely for the displaced homemakers 
program.

NEW SECTION. Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION 
COORDINATING BOARD 
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . $1,682,000
General Fund--State Appropriation (FY 2005) . . . . . . . $1,640,000
General Fund--Federal Appropriation . . . . . . . . . . . $53,796,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $57,118,000

The appropriations in this section are subject to the following conditions and limitations: $485,000 of the general fund--state appropriation for fiscal year 2004 and $485,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operations and development of the inland northwest technology education center (INTEC) as a regional resource and model for the rapid deployment of skilled workers trained in the latest technologies for Washington. The board shall serve as an advisor to and fiscal agent for INTEC, and will report back to the governor and legislature by September 2004 as to the progress and future steps for INTEC as this new public-private partnership evolves.

NEW SECTION. Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE
General Fund--State Appropriation (FY 2004) . . . . . . . $1,405,000
General Fund--State Appropriation (FY 2005) . . . . . . . $1,423,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $2,828,000

NEW SECTION. Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION
General Fund--State Appropriation (FY 2004) . . . . . . . $2,264,000
General Fund--State Appropriation (FY 2005) . . . . . . . $2,270,000
General Fund--Federal Appropriation . . . . . . . . . . . $1,026,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $5,560,000

NEW SECTION. Sec. 615. FOR THE WASHINGTON STATE HISTORICAL SOCIETY
General Fund--State Appropriation (FY 2004) . . . . . . . $2,452,000
General Fund--State Appropriation (FY 2005) . . . . . . . $2,519,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $4,971,000

NEW SECTION. Sec. 616. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY
General Fund--State Appropriation (FY 2004) . . . . . . . $1,459,000
General Fund--State Appropriation (FY 2005) . . . . . . . $1,490,000
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<th>Section</th>
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<td>FOR THE STATE SCHOOL FOR THE DEAF</td>
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<td>General Fund--State Appropriation (FY 2005)</td>
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PART VII
SPECIAL APPROPRIATIONS

NEW SECTION. Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2004) ........ $570,186,000
General Fund--State Appropriation (FY 2005) ........ $626,814,000
State Building Construction Account--State
  Appropriation ........................................ $7,014,000
Debt-Limit Reimbursable Bond Retirement Account--
  State Appropriation ............................... $2,587,000
State Taxable Building Construction Account--
  State Appropriation ............................... $322,000
  TOTAL APPROPRIATION .............................. $1,206,923,000

The appropriations in this section are subject to the following
conditions and limitations: The general fund appropriations are for
deposit into the debt-limit general fund bond retirement account. The
appropriation for fiscal year 2004 shall be deposited in the debt-limit

NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES
State Convention and Trade Center Account--
  State Appropriation ............................... $29,014,000
Accident Account--State Appropriation ................ $5,113,000
Medical Aid Account--State Appropriation ............ $5,113,000
  TOTAL APPROPRIATION .............................. $39,240,000

NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE
General Fund--State Appropriation (FY 2004) ........ $26,394,000
General Fund--State Appropriation (FY 2005) ........ $24,805,000
Capitol Historic District Construction
   Account--State Appropriation .................. $299,000
Higher Education Construction Account--State
   Appropriation .................................. $238,000
State Vehicle Parking Account--State
   Appropriation .................................. $102,000
Nondebt-Limit Reimbursable Bond Retirement Account--
   State Appropriation ........................... $128,375,000
   TOTAL APPROPRIATION ....................... $180,213,000

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

NEW SECTION. Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
BOND SALE EXPENSES
General Fund--State Appropriation (FY 2004) ........ $526,000
General Fund--State Appropriation (FY 2005) ........ $526,000
Higher Education Construction Account--State
   Appropriation ................................. $35,000
Education Construction Account--State Appropriation ... $1,000,000
State Building Construction Account--State
   Appropriation .................................. $2,032,000
State Vehicle Parking Account--State
   Appropriation .................................. $17,000
Capitol Historic District Construction
   Account--State Appropriation .................. $45,000
State Taxable Building Construction Account--
   State Appropriation ........................... $50,000
   TOTAL APPROPRIATION ....................... $4,231,000

NEW SECTION. Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
FIRE CONTINGENCY POOL. The sum of $4,000,000 is appropriated from the
disaster response account for the purpose of making allocations to the
military department for fire mobilizations costs or to the department
of natural resources for fire suppression costs.
NEW SECTION. Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--

EMERGENCY FUND

General Fund--State Appropriation (FY 2004) . . . . . . . . $850,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $850,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . $1,700,000

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

NEW SECTION. Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--

REVOLVING FUND ADJUSTMENTS

General Fund--State Appropriation (FY 2004) . . . . . . . . $3,350,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $3,350,000
Revolving Fund Revolving Account Appropriation . . . . . . $2,792,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . $9,492,000

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

(1) The appropriations in this section are provided solely to make adjustments to agency revolving fund assessments for internal services to reflect policy changes made to the governor's proposed omnibus appropriations act.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the revolving fund revolving account, hereby created in the state treasury, in accordance with schedules provided by the office of financial management.

NEW SECTION. Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--

EXTRAORDINARY CRIMINAL JUSTICE COSTS

Public Safety and Education--State Appropriation . . . . . . $766,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute the entire appropriation to King county for extraordinary criminal justice costs.
NEW SECTION. Sec. 709. BELATED CLAIMS. The agencies and
institutions of the state may expend moneys appropriated in this act,
upon approval of the office of financial management, for the payment of
supplies and services furnished to the agency or institution in prior
fiscal biennia.

NEW SECTION. Sec. 710. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
PERSONNEL RESOURCES BOARD’S SALARY SURVEY FOR STATE AND HIGHER
EDUCATION EMPLOYEES
General Fund--State Appropriation (FY 2005) . . . . . . $21,200,000
Salary and Insurance Increase Revolving Account
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $17,385,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $38,585,000

The appropriations in this section shall be expended solely for the
purposes designated in this section and are subject to the following
conditions and limitations:
  (1) Funding is provided in sufficient amounts to bring the current
salary range to within 8 ranges of their market rate for those state
and higher education classified and exempt classes under the Washington
personnel resources board whose current base salary is greater than 8
ranges from their approved survey applied salary range as determined
under RCW 41.06.160.
  (2) Implementation of the salary adjustments for the various
classifications is effective September 1, 2004.

NEW SECTION. Sec. 711. FOR THE GOVERNOR--COMPENSATION--INSURANCE
BENEFITS
General Fund--State Appropriation (FY 2004) . . . . . . $12,846,000
General Fund--State Appropriation (FY 2005) . . . . . . $41,009,000
General Fund--Federal Appropriation . . . . . . . . . . . $10,506,000
General Fund--Private/Local Appropriation . . . . . . . . $1,330,000
Salary and Insurance Increase Revolving Account
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $51,315,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $117,006,000

The appropriations in this section are subject to the following
conditions and limitations:
(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $520.29 per eligible employee for fiscal year 2004, and $606.26 for fiscal year 2005.

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

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

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

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

(3) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for parts A and B of medicare, pursuant to RCW 41.05.085. From January 1, 2004, through December 31, 2004, the subsidy shall be $109.22. Starting January 1, 2005, the subsidy shall be $132.20 per month.

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

(a) For each full-time employee, $44.19 per month beginning September 1, 2003, and $53.54 beginning September 1, 2004;

(b) For each part-time employee who, at the time of the remittance, is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $44.19 each month beginning September 1, 2003, and $53.54 beginning September 1, 2004, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives.

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

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

NEW SECTION. Sec. 712. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS. The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis beginning July 1, 2003, consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:

General Fund--State Appropriation (FY 2004) . . . . . . . . . $21,171,000

General Fund--State Appropriation (FY 2005) . . . . . . . . . $20,829,000

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

General Fund--State Appropriation (FY 2004) . . . . . . . . . $6,000,000
(3) There is appropriated for contributions to the judges retirement system:

- General Fund--State Appropriation (FY 2004) $500,000
- General Fund--State Appropriation (FY 2005) $500,000

TOTAL APPROPRIATION $55,000,000

NEW SECTION. Sec. 713. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
CONTRIBUTIONS TO RETIREMENT SYSTEMS

- General Fund--State Appropriation (FY 2004) $674,000
- General Fund--State Appropriation (FY 2005) $683,000
- Public Safety and Education Account--State Appropriation $199,000
- Judicial Information Systems Account--State Appropriation $57,000
- Department of Retirement Systems Expense Account--State Appropriation $14,000

TOTAL APPROPRIATION $1,627,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely to fund pension contributions to the public employees' retirement system and teachers' retirement system for judicial and legislative employees, effective July 1, 2003.

NEW SECTION. Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
PENSION SAVINGS.

- General Fund--State Appropriation (FY 2004) ($10,913,000)
- General Fund--State Appropriation (FY 2005) ($11,008,000)
- General Fund--Federal Appropriation ($4,374,000)
- General Fund--Private/Local Appropriation ($502,000)
- Salary and Insurance Increase Revolving Account Appropriation ($10,877,000)

TOTAL APPROPRIATION ($37,674,000)

The appropriations in this section are subject to the following conditions and limitations:
(1) The appropriations in this section are provided solely to make adjustments to agency appropriations to reflect savings resulting from the adoption of the new smoothing method for the public employees', teachers', and school employees' retirement systems and suspending payment on the unfunded liability in the public employees' and teachers' retirement system plans as provided in Senate Bill No. 6029 (funding the public employees' retirement system, the school employees retirement system, and the school employees retirement system). If the bill is not enacted by June 30, 2003, the amounts provided in this section shall lapse.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the salary and insurance increase revolving account.

NEW SECTION. Sec. 715. SALARY COST OF LIVING ADJUSTMENT

General Fund--State Appropriation (FY 2005).............. $22,826,000
General Fund--Federal Appropriation......................... $4,539,000
General Fund--Private/Local Appropriation.................. $513,000
Salary and Insurance Increase Revolving Account
   Appropriation.................................................. $15,995,000
   TOTAL APPROPRIATION...................................... $43,873,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) The appropriations in this section are sufficient to fund a 2.0 percent salary increase effective September 1, 2004, for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(2) The salary and insurance increase revolving account appropriation in this section includes funds sufficient to fund a 2.0 percent salary increase effective September 1, 2004, for ferry workers consistent with the 2003-05 transportation appropriations act.

(3)(a) No salary increase may be paid under this section to any person whose salary has been Y-rated pursuant to rules adopted by the personnel resources board.
(b) The average salary increases paid under this section to agency officials whose maximum salaries are established by the committee on agency official salaries shall not exceed the average increases provided by subsection (2) of this section.

NEW SECTION.  Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EDUCATION TECHNOLOGY REVOLVING ACCOUNT

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

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

NEW SECTION.  Sec. 717. INCENTIVE SAVINGS--FY 2004. The sum of one hundred million dollars or so much thereof as may be available on June 30, 2004, from the total amount of unspent fiscal year 2004 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

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

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

(3) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

NEW SECTION.  Sec. 718. INCENTIVE SAVINGS--FY 2005. The sum of one hundred million dollars or so much thereof as may be available on
June 30, 2005, from the total amount of unspent fiscal year 2005 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

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

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

(3) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

NEW SECTION. Sec. 719. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE
Health Services Account--State Appropriation . . . . . . $24,000,000

The appropriation in this section is subject to the following conditions and limitations: The director of the department of community, trade, and economic development shall distribute the appropriations to the following counties and health districts in the amounts designated:

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<td>Grant County Health District</td>
<td>$118,595</td>
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<td>Grays Harbor Health Department</td>
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Island County Health Department $91,892
Jefferson County Health and Human Services $85,782
Seattle-King County Department of Public Health $9,531,747
Bremerton-Kitsap County Health District $554,669
Kittitas County Health Department $92,499
Klickitat County Health Department $62,402
Lewis County Health Department $105,801
Lincoln County Health Department $29,705
Mason County Department of Health Services $95,988
Okanogan County Health District $63,458
Pacific County Health Department $77,427
Tacoma-Pierce County Health Department $2,820,590
San Juan County Health and Community Services $37,531
Skagit County Health Department $223,927
Snohomish Health District $2,258,207
Spokane County Health District $2,101,429
Northeast Tri-County Health District $110,454
Thurston County Health Department $600,419
Wahkiakum County Health Department $13,773
Walla Walla County-City Health Department $172,062
Whatcom County Health Department $855,863
Whitman County Health Department $78,733
Yakima Health District $623,797

TOTAL APPROPRIATIONS $24,000,000

NEW SECTION. Sec. 720. FOR SUNDRY CLAIMS. The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of general administration, except as otherwise provided, as follows:

1. Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110: Kelly C. Schwatz, claim number SCJ 03-10 ........................................ $18,250

2. Payment from the state wildlife account for damage to crops by wildlife, pursuant to RCW 77.36.050:

   a. Circle S Landscape Supplies, claim number
NEW SECTION. Sec. 721. FOR THE CIVIL LEGAL SERVICES ACCOUNT

General Fund--State Appropriation (FY 2004) . . . . . . . $2,326,000
General Fund--State Appropriation (FY 2005) . . . . . . . $2,326,000
Public Safety and Education Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $4,609,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . $9,261,000

The appropriations in this section are subject to the following conditions and limitations: The entire appropriation is provided solely for deposit in the civil legal services account.

(End of part)
PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION. Sec. 801. FOR THE STATE TREASURER—STATE REVENUES
FOR DISTRIBUTION
General Fund Appropriation for fire insurance
  premium distributions .................................... $8,920,350
General Fund Appropriation for public utility
district excise tax distributions ........................ $39,273,684
General Fund Appropriation for prosecuting
tax attorney distributions .................................. $3,441,197
General Fund Appropriation for boating safety and
education distributions .................................... $4,074,300
General Fund Appropriation for other tax
distributions .................................................. $34,750
Death Investigations Account Appropriation for
distribution to counties for publicly
funded autopsies ............................................. $2,123,723
Aquatic Lands Enhancement Account Appropriation
  for harbor improvement revenue
  distribution ................................................. $187,068
Timber Tax Distribution Account Appropriation for
distribution to "timber" counties ........................ $51,192,170
County Criminal Justice Assistance
  Appropriation ............................................. $52,175,755
Municipal Criminal Justice Assistance
  Appropriation ............................................. $21,086,550
Liquor Excise Tax Account Appropriation for
  liquor excise tax distribution .......................... $32,624,831
Liquor Revolving Account Appropriation for
  liquor profits distribution ............................. $57,511,693
Impaired Driver Safety Account Appropriation for
distribution ................................................. $3,160,837
TOTAL APPROPRIATION .................................... $275,806,908
The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driving Safety Account Appropriation . . . . . . . . . $1,843,260

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2003-05 biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 803. FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driving Safety Account Appropriation . . . . . . . . . $1,228,840

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2003-05 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).
suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION.  Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal grazing fees distribution ......................... $1,293,828
General Fund Appropriation for federal flood control funds distribution ............... $25,050
Forest Reserve Fund Appropriation for federal forest reserve fund distribution ........ $83,492,373
TOTAL APPROPRIATION ....................... $84,811,251

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

NEW SECTION.  Sec. 805. 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
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 ....................... $10,000,000
Public Works Assistance Account: For
transfer to the drinking water assistance account ....................... $8,387,000
Tobacco Settlement Account: For transfer
to the health services account, in an
amount not to exceed the actual balance
of the tobacco settlement account ............... $185,000,000
Health Service Account: For transfer
to the violence reduction and drug
enforcement account ......................... $7,789,000
Nisqually Earthquake Account: For transfer to
the disaster response account .................. $6,200,000
Industrial Insurance Premium Refund Account:
For transfer to the state general fund ........... $577,000
Public Service Revolving Account: For transfer
to the state general fund ......................... $1,000,000
Gambling Revolving Account: For transfer
to the state general fund ......................... $1,500,000
State Forest Nursery Revolving Account: For transfer
to the state general fund, $250,000 for fiscal
year 2004 and $250,000 for fiscal year 2005 ......... $500,000
Flood Control Assistance Account: For transfer
to the state general fund, $1,350,000 for fiscal
year 2004 and $1,350,000 for fiscal year 2005 ........ $2,700,000
Water Quality Account: For transfer to the water pollution control account .................. $10,500,000
General Fund: For transfer to the water quality account, $3,870,000 for fiscal year 2004 and
$4,557,000 for fiscal year 2005 ..................... $8,427,000
Insurance Commissioner's Regulatory Account: For transfer to the state general fund ............ $1,000,000

Health Services Account: For transfer to the tobacco prevention and control account ............ $24,216,000

From the Emergency Reserve Fund: For transfer to the state general fund ................. $57,046,000

Student Achievement Fund: For transfer to the state general fund for fiscal year 2005 ....... $44,900,000

Department of Retirement Systems Expense Account: For transfer to the state general fund ........ $1,500,000

Landowner Contingency Fire Suppression Account: For transfer to the state general fund for fiscal year 2005 ................. $3,000,000

Woodstove Education and Enforcement Account: For transfer to the air pollution control account .... $600,000

Education Construction Fund: For transfer to the state general fund for fiscal year 2005 ........ $68,775,000

NEW SECTION. Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--

TRANSFERS

General Fund--State Appropriation: For transfer to the department of retirement systems expense account: For the administrative expenses of the judicial retirement system ................. $21,901

(End of part)
PART IX
MISCELLANEOUS

NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS. The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2001-03 biennium.

NEW SECTION. Sec. 902. INFORMATION SYSTEMS PROJECTS. Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:

(a) System refurbishment, acquisitions, and development efforts;

(b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;

(c) Assessment of overall information processing performance, resources, and capabilities;

(d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources; and
(e) Progress toward enabling electronic access to public
information.

(3) Each project will be planned and designed to take optimal
advantage of Internet technologies and protocols. Agencies shall
ensure that the project is in compliance with the architecture,
infrastructure, principles, policies, and standards of digital
government as maintained by the information services board.

(4) The agency shall produce a feasibility study for information
technology projects at the direction of the information services board
and in accordance with published department of information services
policies and guidelines. At a minimum, such studies shall include a
statement of: (a) The purpose or impetus for change; (b) the business
value to the agency, including an examination and evaluation of
benefits, advantages, and cost; (c) a comprehensive risk assessment
based on the proposed project's impact on both citizens and state
operations, its visibility, and the consequences of doing nothing; (d)
the impact on agency and statewide information infrastructure; and (e)
the impact of the proposed enhancements to an agency's information
technology capabilities on meeting service delivery demands.

(5) The agency shall produce a comprehensive management plan for
each project. The plan or plans shall address all factors critical to
successful completion of each project. The plan(s) shall include, but
is not limited to, the following elements: A description of the
problem or opportunity that the information technology project is
intended to address; a statement of project objectives and assumptions;
a definition and schedule of phases, tasks, and activities to be
accomplished; and the estimated cost of each phase. The planning for
the phased approach shall be such that the business case justification
for a project needs to demonstrate how the project recovers cost or
adds measurable value or positive cost benefit to the agency's business
functions within each development cycle.

(6) The agency shall produce quality assurance plans for
information technology projects. Consistent with the direction of the
information services board and the published policies and guidelines of
the department of information services, the quality assurance plan
shall address all factors critical to successful completion of the
project and successful integration with the agency and state
information technology infrastructure. At a minimum, quality assurance plans shall provide time and budget benchmarks against which project progress can be measured, a specification of quality assurance responsibilities, and a statement of reporting requirements. The quality assurance plans shall set out the functionality requirements for each phase of a project.

(7) A copy of each feasibility study, project management plan, and quality assurance plan shall be provided to the department of information services, the office of financial management, and legislative fiscal committees. The plans and studies shall demonstrate a sound business case that justifies the investment of taxpayer funds on any new project, an assessment of the impact of the proposed system on the existing information technology infrastructure, the disciplined use of preventative measures to mitigate risk, and the leveraging of private-sector expertise as needed. Authority to expend any funds for individual information systems projects is conditioned on the approval of the relevant feasibility study, project management plan, and quality assurance plan by the department of information services and the office of financial management.

(8) Quality assurance status reports shall be submitted to the department of information services, the office of financial management, and legislative fiscal committees at intervals specified in the project's quality assurance plan.

NEW SECTION. Sec. 903. VIDEO TELECOMMUNICATIONS. The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and purchased telecommunications equipment and assist state agencies in developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunication equipment, new video telecommunication transmission, or new video telecommunication programming, or for expanding current video telecommunication systems without first complying with chapter 43.105 RCW, including but not limited to, RCW 43.105.041(2), and without first submitting a video telecommunications expenditure plan, in accordance with the policies of the department of information
services, for review and assessment by the department of information services under RCW 43.105.052. Prior to any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

NEW SECTION. Sec. 904. PROGRAM COST SHIFTS. Any program costs or moneys in this act that are shifted to the general fund from another fund or account require an adjustment to the expenditure limit under RCW 43.135.035(5).

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

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

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

NEW SECTION. Sec. 908. VOLUNTARY SEPARATION INCENTIVES. As a
management tool to reduce costs and make more effective use of
resources, while improving employee productivity and morale, agencies
may offer voluntary separation and/or downshifting incentives and
options according to procedures and guidelines established by the
department of personnel and the department of retirement systems in
consultation with the office of financial management. The options may
include, but are not limited to, financial incentives for: Voluntary
resignation and retirement, voluntary leave-without-pay, voluntary
workweek or work hour reduction, voluntary downward movement, or
temporary separation for development purposes. No employee shall have
a contractual right to a financial incentive offered pursuant to this
section.

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

NEW SECTION. Sec. 909. VOLUNTARY RETIREMENT INCENTIVES. It is
the intent of the legislature that agencies may implement a voluntary
retirement incentive program that is cost neutral or results in cost
savings provided that such a program is approved by the director of
retirement systems and the office of financial management. Agencies
participating in this authorization are required to submit a report by
June 30, 2005, to the legislature and the office of financial
management on the outcome of their approved retirement incentive
program. The report should include information on the details of the
program including resulting service delivery changes, agency
efficiencies, the cost of the retirement incentive per participant, the
total cost to the state, and the projected or actual net dollar savings
over the 2003-05 biennium.

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

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

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

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

All sums received from licenses, permit fees, or other sources,
herein shall be paid to the state treasurer and placed in a special
fund designated as the "electrical license fund," and (by him) paid
out upon vouchers duly and regularly issued therefor and approved by
the director of labor and industries or the director's designee
following determination by the board that the sums are necessary to
accomplish the intent of chapter 19.28 RCW. The treasurer shall keep
an accurate record of payments into, or receipts of, (said) the fund,
and of all disbursements therefrom.

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

Sec. 912. RCW 28A.305.210 and 1975 1st ex.s. c 275 s 51 are each
amended to read as follows:
(1) The state board of education, by rule or regulation, may
require the assistance of educational service district boards and/or
superintendents in the performance of any duty, authority, or power
imposed upon or granted to the state board of education by law, upon
such terms and conditions as the state board of education shall
establish. Such authority to assist the state board of education shall
be limited to the service function of information collection and
dissemination and the attestment to the accuracy and completeness of
submitted information.
(2) During the 2003-05 biennium, educational service districts may,
at the request of the state board of education, receive and screen
applications for school accreditation, conduct school accreditation
site visits pursuant to state board of education rules, and submit to
the state board of education post-site visit recommendations for school
accreditation. The educational service districts may assess a
cooperative service fee to recover actual plus reasonable indirect
costs for the purposes of this subsection.

Sec. 913. RCW 28B.95.030 and 2000 c 14 s 3 are each amended to
read as follows:
(1) The Washington advanced college tuition payment program shall
be administered by the committee on advanced tuition payment which
shall be chaired by the executive director of the board. The committee
shall be supported by staff of the board.
(2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval.

(b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body.

(c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract.

(d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.

(3)(a) No tuition unit may be redeemed until two years after the purchase of the unit. Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code.

(b) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.

(4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.

(5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount
the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.

(6) The governing body shall annually determine current value of a tuition unit and the value of the weighted average tuition unit.

(7) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program. However, during the 2003-05 fiscal biennium, the governing body may not promote, advertise, or publicize the program other than via its internet website or in response to individual requests for information by the public.

(8) In addition to any other powers conferred by this chapter, the governing body may:

(a) Impose reasonable limits on the number of tuition units or units that may be used in any one year;

(b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;

(c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;

(d) Appoint and use advisory committees as needed to provide program direction and guidance;

(e) Formulate and adopt all other policies and rules necessary for the efficient administration of the program;

(f) Consider the addition of an advanced payment program for room and board contracts and also consider a college savings program;

(g) Purchase insurance from insurers licensed to do business in the state, to provide for coverage against any loss in connection with the account's property, assets, or activities or to further insure the value of the tuition units;

(h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;

(i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;

(j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;
(k) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;

(l) Solicit and accept cash donations and grants from any person, governmental agency, private business, or organization; and

(m) Perform all acts necessary and proper to carry out the duties and responsibilities of this program under this chapter.

Sec. 914. RCW 38.52.106 and 2002 c 371 s 904 are each amended to read as follows:

The Nisqually earthquake account is created in the state treasury. Moneys may be placed in the account from tax revenues, budget transfers or appropriations, federal appropriations, gifts, or any other lawful source. Moneys in the account may be spent only after appropriation. Moneys in the account shall be used only to support state and local government disaster response and recovery efforts associated with the Nisqually earthquake. During the (2003-2005) fiscal biennium, the legislature may transfer moneys from the Nisqually earthquake account to the disaster response account for fire suppression and mobilization costs((, and costs associated with national security preparedness activities)).

Sec. 915. RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended to read as follows:

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

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79.040((2)(b))) or 43.84.092((2)(b))) (4)(b). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state
treasurer shall establish a uniform allocation rate based on the appropriations for the treasurer's office.

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

Sec. 916. RCW 43.10.180 and 1979 c 151 s 95 are each amended to read as follows:

(1) The attorney general shall keep such records as are necessary to facilitate proper allocation of costs to funds and agencies served and the director of financial management shall prescribe appropriate accounting procedures to accurately allocate costs to funds and agencies served. Billings shall be adjusted in line with actual costs incurred at intervals not to exceed six months.

(2) During the 2003-05 fiscal biennium, all expenses for administration of the office of the attorney general shall be allocated to and paid from the legal services revolving fund in accordance with accounting procedures prescribed by the director of financial management.

Sec. 917. RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c 289 s 4 are each reenacted and amended to read as follows:

The money received by the state treasurer from fees, fines, forfeitures, penalties, reimbursements or assessments by any court organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be deposited in the public safety and education account which is hereby created in the state treasury. The legislature shall appropriate the funds in the account to promote traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education, the judicial information system, civil representation of indigent persons, winter recreation parking, drug court operations, and state game programs. During the fiscal biennium ending June 30, (2003) 2005, the legislature may appropriate moneys from the public safety and education account for purposes of appellate indigent defense and other operations of the office of public defense, the criminal litigation unit of the attorney general's office, the treatment alternatives to street crimes program, crime victims advocacy
programs, justice information network telecommunication planning, treatment for supplemental security income clients, sexual assault treatment, operations of the office of administrator for the courts, security in the common schools, alternative school start-up grants, programs for disruptive students, criminal justice data collection, Washington state patrol criminal justice activities, drug court operations, unified family courts, local court backlog assistance, financial assistance to local jurisdictions for extraordinary costs incurred in the adjudication of criminal cases, domestic violence treatment and related services, the department of corrections' costs in implementing chapter 196, Laws of 1999, reimbursement of local governments for costs associated with implementing criminal and civil justice legislation, the replacement of the department of corrections' offender-based tracking system, secure and semi-secure crisis residential centers, HOPE beds, the family policy council and community public health and safety networks, the street youth program, and narcotics or methamphetamine-related enforcement, education, training, and drug and alcohol treatment services.

Sec. 918. RCW 43.43.944 and 1999 c 117 s 2 are each amended to read as follows:

(1) The fire service training account is hereby established in the state treasury. The fund shall consist of:

(a) All fees received by the Washington state patrol for fire service training;

(b) All grants and bequests accepted by the Washington state patrol under RCW 43.43.940; and

(c) Twenty percent of all moneys received by the state on fire insurance premiums.

(2) Moneys in the account may be appropriated only for fire service training. During the 2003-2005 fiscal biennium, the legislature may appropriate funds from this account for school fire prevention activities within the Washington state patrol.

Sec. 919. RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1, and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as follows:
(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund--state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues and the expenditure limit for fiscal year 2000 and thereafter.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of annual general fund--state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer as follows: Seventy-five percent to the student achievement fund hereby created in the state treasury and twenty-five percent to the general fund balance. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter. When per-student state funding for the maintenance and operation of K-12 education meets a level of no less than ninety percent of the national average of total funding from all sources per student as determined by the most recent published data from the national center for education statistics of the United States department of education, as calculated by the office of financial management, further deposits to the student achievement fund shall be required only to the extent necessary to maintain the ninety-percent level. Remaining funds are part of the general fund balance and these funds are subject to the expenditure limits of this chapter.

(4) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.
(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

(6) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. However, during the 2003-05 fiscal biennium, earnings of the emergency reserve fund shall not be transferred. Within thirty days following any fiscal year in which earnings transferred to the multimodal transportation account under this subsection did not total thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide ongoing support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated.

Sec. 920. RCW 48.02.190 and 2002 c 371 s 913 are each amended to read as follows:

(1) As used in this section:

(a) "Organization" means every insurer, as defined in RCW 48.01.050, having a certificate of authority to do business in this
state and every health care service contractor registered to do
business in this state. "Class one" organizations shall consist of all
insurers as defined in RCW 48.01.050. "Class two" organizations shall
consist of all organizations registered under provisions of chapter
48.44 RCW.

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

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

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

(4) The commissioner shall annually, on or before June 1, calculate
and bill each organization for the amount of its fee. Fees shall be
due and payable no later than June 15 of each year: PROVIDED, That if
the necessary financial records are not available or if the amount of
the legislative appropriation is not determined in time to carry out
such calculations and bill such fees within the time specified, the
commissioner may use the fee factors for the prior year as the basis
for the fees and, if necessary, the commissioner may impose supplemental fees to fully and properly charge the organizations. The penalties for failure to pay fees when due shall be the same as the penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees required by this section are in addition to all other taxes and fees now imposed or that may be subsequently imposed.

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

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

Sec. 921. RCW 49.26.130 and 1989 c 154 s 9 are each amended to read as follows:

(1) The department shall administer this chapter.

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

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

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

(5) During the 2003-2005 fiscal biennium, the legislature may transfer from the asbestos account to the state general fund such amounts as reflect the excess fund balance in the account.
Sec. 922. RCW 51.44.170 and 2002 c 371 s 916 are each amended to read as follows:

The industrial insurance premium refund account is created in the custody of the state treasurer. All industrial insurance refunds earned by state agencies or institutions of higher education under the state fund retrospective rating program shall be deposited into the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account. Only the executive head of the agency or institution of higher education, or designee, may authorize expenditures from the account. No agency or institution of higher education may make an expenditure from the account for an amount greater than the refund earned by the agency. If the agency or institution of higher education has staff dedicated to workers' compensation claims management, expenditures from the account must be used to pay for that staff, but additional expenditure from the account may be used for any program within an agency or institution of higher education that promotes or provides incentives for employee workplace safety and health and early, appropriate return-to-work for injured employees. During the fiscal biennium, the legislature may transfer from the industrial insurance premium refund account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 923. RCW 67.40.040 and 1995 c 386 s 13 are each amended to read as follows:

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

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

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

(b) After appropriation by statute:
   (i) For payment of expenses incurred in the issuance and sale of the bonds issued under RCW 67.40.030;
   (ii) For expenditures authorized in RCW 67.40.170;
   (iii) For acquisition, design, and construction of the state convention and trade center; and
   (iv) For reimbursement of any expenditures from the state general fund in support of the state convention and trade center; and

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

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

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

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

Sec. 924. RCW 69.50.520 and 2002 c 371 s 920 are each amended to
read as follows:
The violence reduction and drug enforcement account is created in
the state treasury. All designated receipts from RCW 9.41.110(8),
66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
shall be deposited into the account. Expenditures from the account may
be used only for funding services and programs under chapter 271, Laws
of 1989 and chapter 7, Laws of 1994 sp. sess., including state
incarceration costs. Funds from the account may also be appropriated
to reimburse local governments for costs associated with implementing
During the ((2001-)) 2003-2005 biennium, funds from the account may
also be used for costs associated with providing grants to local
governments in accordance with chapter 338, Laws of 1997, ((the
replacement of the department of corrections' offender-based tracking
system)) funding drug offender treatment services in accordance with
RCW 70.96A.350, maintenance and operating costs of the Washington
association of sheriffs and police chiefs jail reporting system,
((civil indigent legal representation, and for)) multijurisdictional
narcotics task forces((. After July 1, 2003, at least seven and one-
half percent of expenditures from the account shall be used for
providing)), and grants to community networks under chapter 70.190 RCW
by the family policy council.

Sec. 925. RCW 70.79.350 and 1979 c 151 s 171 are each amended to
read as follows:
The chief inspector shall give an official receipt for all fees
required by chapter 70.79 RCW and shall transfer all sums so received
to the treasurer of the state of Washington as ex officio custodian
thereof and ((by him, as such custodian,)) the treasurer shall place
((said)) all sums in a special fund hereby created and designated as
the "pressure systems safety fund". (( Said)) Funds ((by him)) shall be
paid out upon vouchers duly and regularly issued therefor and approved
by the director of the department of labor and industries. The
treasurer, as ex officio custodian of ((said)) the fund, shall keep an
accurate record of any payments into ((said)) the fund, and of all
disbursements therefrom. ((Said)) The fund shall be used exclusively
to defray only the expenses of administering chapter 70.79 RCW by the
chief inspector as authorized by law and the expenses incident to the
maintenance of ((his)) the office. The fund shall be charged with its
pro rata share of the cost of administering ((said)) the fund which is
to be determined by the director of financial management and by the
director of the department of labor and industries.

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

Sec. 926. RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each
amended to read as follows:

(1) The wood stove education and enforcement account is hereby
created in the state treasury. Money placed in the account shall
include all money received under subsection (2) of this section and any
other money appropriated by the legislature. Money in the account
shall be spent for the purposes of the wood stove education program
established under RCW 70.94.480 and for enforcement of the wood stove
program, and shall be subject to legislative appropriation. However,
during the 2003-05 fiscal biennium, the legislature may transfer from
the wood stove education and enforcement account to the air pollution
control account such amounts as specified in the omnibus operating
budget bill.

(2) The department of ecology, with the advice of the advisory
committee, shall set a flat fee of thirty dollars, on the retail sale,
as defined in RCW 82.04.050, of each solid fuel burning device after
January 1, 1992. The fee shall be imposed upon the consumer and shall
not be subject to the retail sales tax provisions of chapters 82.08 and
82.12 RCW. The fee may be adjusted annually above thirty dollars to
account for inflation as determined by the state office of the economic
and revenue forecast council. The fee shall be collected by the
department of revenue in conjunction with the retail sales tax under
chapter 82.08 RCW. If the seller fails to collect the fee herein
imposed or fails to remit the fee to the department of revenue in the manner prescribed in chapter 82.08 RCW, the seller shall be personally liable to the state for the amount of the fee. The collection provisions of chapter 82.32 RCW shall apply. The department of revenue shall deposit fees collected under this section in the wood stove education and enforcement account.

Sec. 927. RCW 70.105D.070 and 2001 c 27 s 2 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;

(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;
(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; and

(xii) Development and demonstration of alternative management technologies designed to carry out the top two hazardous waste management priorities of RCW 70.105.150.

(3) The following moneys shall be deposited into the local toxics control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent.

(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority: (i) Remedial actions; (ii) hazardous waste plans and programs under chapter 70.105 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and (v) cleanup and disposal of hazardous substances from abandoned or derelict vessels that pose a threat to human health or the environment. For purposes of this subsection (3)(a)(v), "abandoned or derelict vessels" means vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel. Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During
the 1999-2001 fiscal biennium, moneys in the account may also be used for the following activities: Conducting a study of whether dioxins occur in fertilizers, soil amendments, and soils; reviewing applications for registration of fertilizers; and conducting a study of plant uptake of metals. During the 2003-05 fiscal biennium, the legislature may transfer from the local toxics control account to the state toxics control account such amounts as specified in the omnibus operating budget bill for methamphetamine lab cleanup.

(b) Funds may also be appropriated to the department of health to implement programs to reduce testing requirements under the federal safe drinking water act for public water systems. The department of health shall reimburse the account from fees assessed under RCW 70.119A.115 by June 30, 1995.

(4) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(5) One percent of the moneys deposited into the state and local toxics control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. However, during the 1999-2001 fiscal biennium, funding may not be granted to entities engaged in lobbying activities, and applicants may not be awarded grants if their cumulative grant awards under this section exceed two hundred thousand dollars. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.

(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation.

(7) The department shall adopt rules for grant or loan issuance and performance.
Sec. 928. RCW 70.146.030 and 2002 c 371 s 921 are each amended to read as follows:

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

(2) The department may use or permit the use of any moneys in the account to make grants or loans to public bodies, including grants to public bodies as cost-sharing moneys in any case where federal, local, or other funds are made available on a cost-sharing basis, for water pollution control facilities and activities, or for purposes of assisting a public body to obtain an ownership interest in water pollution control facilities and/or to defray a part of the payments made by a public body to a service provider under a service agreement entered into pursuant to RCW 70.150.060, within the purposes of this chapter and for related administrative expenses. For the period July 1, (2001) 2003, to June 30, (2003) 2005, moneys in the account may be used to process applications received by the department that seek to make changes to or transfer existing water rights and for grants and technical assistance to public bodies for watershed planning under chapter 90.82 RCW. No more than three percent of the moneys deposited in the account may be used by the department to pay for the administration of the grant and loan program authorized by this chapter.

(3) Beginning with the biennium ending June 30, 1997, the department shall present a biennial progress report on the use of moneys from the account to the chairs of the senate committee on ways and means and the house of representatives committee on appropriations. The first report is due June 30, 1996, and the report for each succeeding biennium is due December 31 of the odd-numbered year. The report shall consist of a list of each recipient, project description, and amount of the grant, loan, or both.
Sec. 929. RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended to read as follows:

Within thirty days after June 30, 1987, and within thirty days after each succeeding fiscal year thereafter, the state treasurer shall determine the tax receipts deposited into the water quality account for the preceding fiscal year. If the tax receipts deposited into the account in each of the fiscal years 1988 and 1989 are less than forty million dollars, the state treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total receipts in each fiscal year up to forty million dollars.

For the biennium ending June 30, 1991, if the tax receipts deposited into the water quality account and the earnings on investment of balances credited to the account are less than ninety million dollars, the treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total revenue up to ninety million dollars. The determination and transfer shall be made by July 31, 1991.

For fiscal year 1992 and for fiscal years 1995 and 1996 and thereafter, if the tax receipts deposited into the water quality account for each fiscal year are less than forty-five million dollars, the treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total revenue up to forty-five million dollars. However, during the 2003-05 fiscal biennium, the legislature may specify the transfer of a different amount in the operating budget bill. Determinations and transfers shall be made by July 31 for the preceding fiscal year.

Sec. 930. RCW 72.11.040 and 2001 2nd sp.s. c 7 s 919 are each amended to read as follows:

The cost of supervision fund is created in the custody of the state treasurer. All receipts from assessments made under RCW 9.94A.780 and 72.04A.120 shall be deposited into the fund. Expenditures from the fund may be used only to support the collection of legal financial obligations. During the (2001-2005) biennium, funds from the account may also be used for costs associated with the department's supervision of the offenders in the community. Only the secretary of the department of corrections or the secretary's designee may authorize
expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

Sec. 931. RCW 76.04.630 and 1993 c 36 s 2 are each amended to read as follows:

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

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

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

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

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

During the 2003-2005 fiscal biennium, the legislature may transfer
from the landowner contingency forest fire suppression account to the
state general fund such amounts as reflect the excess fund balance of
the account.

Sec. 932. RCW 76.12.170 and 1988 c 128 s 36 are each amended to
read as follows:

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

During the 2003-2005 fiscal biennium, the legislature may transfer
from the state forest nursery revolving fund to the state general fund
such amounts as reflect the excess fund balance of the fund.
Sec. 933. RCW 80.01.080 and 2002 c 371 s 924 are each amended to read as follows:

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

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

Sec. 934. RCW 82.14.200 and 1998 c 321 s 8 are each amended to read as follows:

There is created in the state treasury a special account to be known as the "county sales and use tax equalization account." Into this account shall be placed a portion of all motor vehicle excise tax receipts as provided in RCW 82.44.110. Funds in this account shall be allocated by the state treasurer according to the following procedure:

(1) Prior to April 1st of each year the director of revenue shall inform the state treasurer of the total and the per capita levels of revenues for the unincorporated area of each county and the statewide weighted average per capita level of revenues for the unincorporated areas of all counties imposing the sales and use tax authorized under RCW 82.14.030(1) for the previous calendar year.

(2) At such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than one hundred fifty thousand dollars from the tax for the previous calendar year, an amount from the county sales and use tax equalization account sufficient, when added to the amount of revenues received the previous calendar year by the county, to equal one hundred fifty thousand dollars.

The department of revenue shall establish a governmental price index as provided in this subsection. The base year for the index
shall be the end of the third quarter of 1982. Prior to November 1, 1983, and prior to each November 1st thereafter, the department of revenue shall establish another index figure for the third quarter of that year. The department of revenue may use the implicit price deflators for state and local government purchases of goods and services calculated by the United States department of commerce to establish the governmental price index. Beginning on January 1, 1984, and each January 1st thereafter, the one hundred fifty thousand dollar base figure in this subsection shall be adjusted in direct proportion to the percentage change in the governmental price index from 1982 until the year before the adjustment. Distributions made under this subsection for 1984 and thereafter shall use this adjusted base amount figure.

(3) Subsequent to the distributions under subsection (2) of this section and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than seventy percent of the statewide weighted average per capita level of revenues for the unincorporated areas of all counties as determined by the department of revenue under subsection (1) of this section, an amount from the county sales and use tax equalization account sufficient, when added to the per capita level of revenues for the unincorporated area received the previous calendar year by the county, to equal seventy percent of the statewide weighted average per capita level of revenues for the unincorporated areas of all counties determined under subsection (1) of this section, subject to reduction under subsections (6) and (7) of this section. When computing distributions under this section, any distribution under subsection (2) of this section shall be considered revenues received from the tax imposed under RCW 82.14.030(1) for the previous calendar year.

(4) Subsequent to the distributions under subsection (3) of this section and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (2) of this section, a third distribution from the county sales and use tax equalization account.
The distribution to each qualifying county shall be equal to the distribution to the county under subsection (2) of this section, subject to the reduction under subsections (6) and (7) of this section. To qualify for the total distribution under this subsection, the county must impose the tax under RCW 82.14.030(2) for the entire calendar year. Counties imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(5) Subsequent to the distributions under subsection (4) of this section and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (3) of this section, a fourth distribution from the county sales and use tax equalization account. The distribution to each qualifying county shall be equal to the distribution to the county under subsection (3) of this section, subject to the reduction under subsections (6) and (7) of this section. To qualify for the distributions under this subsection, the county must impose the tax under RCW 82.14.030(2) for the entire calendar year. Counties imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(6) Revenues distributed under subsections (2) through (5) of this section in any calendar year shall not exceed an amount equal to seventy percent of the statewide weighted average per capita level of revenues for the unincorporated areas of all counties during the previous calendar year. If distributions under subsections (3) through (5) of this section cannot be made because of this limitation, then distributions under subsections (3) through (5) of this section shall be reduced ratably among the qualifying counties.

(7) If inadequate revenues exist in the county sales and use tax equalization account to make the distributions under subsections (3) through (5) of this section, then the distributions under subsections (3) through (5) of this section shall be reduced ratably among the qualifying counties. At such time during the year as additional funds accrue to the county sales and use tax equalization account, additional
distributions shall be made under subsections (3) through (5) of this section to the counties.

(8) If the level of revenues in the county sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) of this section, at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion an amount to the county public health account created in RCW 70.05.125 equal to the adjustment under RCW 70.05.125(2)(b).

(9) If the level of revenues in the county sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) and (8) of this section, then the additional revenues shall be credited and transferred as follows:

(a) Fifty percent to the public facilities construction loan revolving account under RCW 43.160.080; and

(b) Fifty percent to the distressed county public facilities construction loan account under RCW 43.160.220, or so much thereof as will not cause the balance in the account to exceed twenty-five million dollars. Any remaining funds shall be deposited into the public facilities construction loan revolving account.

(10) During the 2003-2005 fiscal biennium, the legislature may transfer from the county sales and use tax equalization account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 935.  RCW 82.14.210 and 1996 c 64 s 1 are each amended to read as follows:

There is created in the state treasury a special account to be known as the "municipal sales and use tax equalization account." Into this account shall be placed such revenues as are provided under RCW 82.44.110(1)(e). Funds in this account shall be allocated by the state treasurer according to the following procedure:

(1) Prior to January 1st of each year the department of revenue shall determine the total and the per capita levels of revenues for each city and the statewide weighted average per capita level of revenues.
revenues for all cities imposing the sales and use tax authorized under 
RCW 82.14.030(1) for the previous calendar year.

(2) At such times as distributions are made under RCW 82.44.150, 
the state treasurer shall apportion to each city not imposing the sales 
and use tax under RCW 82.14.030(2) an amount from the municipal sales 
and use tax equalization account equal to the amount distributed to the 
city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

(3) Subsequent to the distributions under subsection (2) of this 
section, and at such times as distributions are made under RCW 
82.44.150, the state treasurer shall apportion to each city imposing 
the sales and use tax under RCW 82.14.030(1) at the maximum rate and 
receiving less than seventy percent of the statewide weighted average 
per capita level of revenues for all cities as determined by the 
department of revenue under subsection (1) of this section, an amount 
from the municipal sales and use tax equalization account sufficient, 
when added to the per capita level of revenues received the previous 
calendar year by the city, to equal seventy percent of the statewide 
weighted average per capita level of revenues for all cities determined 
under subsection (1) of this section, subject to reduction under 
subsection (6) of this section.

(4) Subsequent to the distributions under subsection (3) of this 
section, and at such times as distributions are made under RCW 
82.44.150, the state treasurer shall apportion to each city imposing 
the sales and use tax under RCW 82.14.030(2) at the maximum rate and 
receiving a distribution under subsection (3) of this section, a third 
distribution from the municipal sales and use tax equalization account. 
The distribution to each qualifying city shall be equal to the 
distribution to the city under subsection (3) of this section, subject 
to the reduction under subsection (6) of this section. To qualify for 
the distributions under this subsection, the city must impose the tax 
under RCW 82.14.030(2) for the entire calendar year. Cities imposing 
the tax for less than the full year shall qualify for prorated 
allocations under this subsection proportionate to the number of months 
of the year during which the tax is imposed.

(5) For a city with an official incorporation date after January 1, 
1990, municipal sales and use tax equalization distributions shall be 
made according to the procedures in this subsection. Municipal sales
and use tax equalization distributions to eligible new cities shall be made at the same time as distributions are made under subsections (3) and (4) of this section. The department of revenue shall follow the estimating procedures outlined in this subsection until the new city has received a full year's worth of revenues under RCW 82.14.030(1) as of the January municipal sales and use tax equalization distribution.

(a) Whether a newly incorporated city determined to receive funds under this subsection receives its first equalization payment at the January, April, July, or October municipal sales and use tax equalization distribution shall depend on the date the city first imposes the tax authorized under RCW 82.14.030(1).

(i) A newly incorporated city imposing the tax authorized under RCW 82.14.030(1) effective as of January 1st shall be eligible to receive funds under this subsection beginning with the April municipal sales and use tax equalization distribution of that year.

(ii) A newly incorporated city imposing the tax authorized under RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st shall be eligible to receive funds under this subsection beginning with the July municipal sales and use tax equalization distribution of that year.

(iii) A newly incorporated city imposing the tax authorized under RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall be eligible to receive funds under this subsection beginning with the October municipal sales and use tax equalization distribution of that year.

(iv) A newly incorporated city imposing the tax authorized under RCW 82.14.030(1) effective as of August 1st, September 1st, or October 1st shall be eligible to receive funds under this subsection beginning with the January municipal sales and use tax equalization distribution of the next year.

(v) A newly incorporated city imposing the tax authorized under RCW 82.14.030(1) effective as of November 1st or December 1st shall be eligible to receive funds under this subsection beginning with the April municipal sales and use tax equalization distribution of the next year.

(b) For purposes of calculating the amount of funds the new city should receive under this subsection, the department of revenue shall:
(i) Estimate the per capita amount of revenues from the tax authorized under RCW 82.14.030(1) that the new city would have received had the city received revenues from the tax the entire calendar year;

(ii) Calculate the amount provided under subsection (3) of this section based on the per capita revenues determined under (b)(i) of this subsection;

(iii) Prorate the amount determined under (b)(ii) of this subsection by the number of months the tax authorized under RCW 82.14.030(1) is imposed.

(c) A new city imposing the tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution calculated under (b) of this subsection shall receive another distribution from the municipal sales and use tax equalization account. This distribution shall be equal to the calculation made under (b)(ii) of this subsection, prorated by the number of months the city imposes the tax authorized under RCW 82.14.030(2) at the full rate.

(d) The department of revenue shall advise the state treasurer of the amounts calculated under (b) and (c) of this subsection and the state treasurer shall distribute these amounts to the new city from the municipal sales and use tax equalization account subject to the limitations imposed in subsection (6) of this section.

(e) Revenues estimated under this subsection shall not affect the calculation of the statewide weighted average per capita level of revenues for all cities made under subsection (1) of this section.

(6) If inadequate revenues exist in the municipal sales and use tax equalization account to make the distributions under subsection (3), (4), or (5) of this section, then the distributions under subsections (3), (4), and (5) of this section shall be reduced ratably among the qualifying cities. At such time during the year as additional funds accrue to the municipal sales and use tax equalization account, additional distributions shall be made under subsections (3), (4), and (5) of this section to the cities.

(7) If the level of revenues in the municipal sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) of this section, then the additional revenues shall be apportioned among the several cities within the state ratably on the basis of population as last determined.
by the office of financial management: PROVIDED, That no such
distribution shall be made to those cities receiving a distribution
under subsection (2) of this section.

(8) During the 2003-2005 fiscal biennium, the legislature may
transfer from the municipal sales and use tax equalization account to
the state general fund such amounts as reflect the excess fund balance
in the account.

Sec. 936. RCW 86.26.007 and 1997 c 149 s 914 are each amended to
read as follows:

The flood control assistance account is hereby established in the
state treasury. At the beginning of the 1997-99 fiscal biennium and
each biennium thereafter the state treasurer shall transfer four
million dollars from the general fund to the flood control assistance
account. Moneys in the flood control assistance account may be spent
only after appropriation for purposes specified under this chapter
((or, during the 1997-99 fiscal biennium, for transfer to the disaster
response account)). During the 2003-2005 fiscal biennium, the
legislature may transfer from the flood control assistance account to
the state general fund such amounts as reflect the excess fund balance
of the account.

NEW SECTION. Sec. 937. If any provision of this act or its
application to any person or circumstance is held invalid, the
remainder of the act or the application of the provision to other
persons or circumstances is not affected.

NEW SECTION. Sec. 938. This act is necessary for the immediate
preservation of the public peace, health, or safety, or support of the
state government and its existing public institutions, and takes effect
immediately.

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