
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2882.3/03 3rd draft

ATTY/TYPIST: LL:seg

BRIEF DESCRIPTION:

ESSB 5404 - H COMM AMD
By Committee on Appropriations

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

3 "PART I
4 GENERAL GOVERNMENT

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

6	General Fund--State Appropriation (FY 2004)	\$28,295,000
7	General Fund--State Appropriation (FY 2005)	\$28,269,000
8	Department of Retirement Systems Expense Account--	
9	State Appropriation	\$45,000
10	TOTAL APPROPRIATION	\$56,609,000

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

13 (1) \$25,000 of the general fund--state appropriation is provided
14 for allocation to Project Citizen, a program of the national conference
15 of state legislatures to promote student civic involvement.

16 (2) \$150,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided for the joint select committee on fiscal
18 stability.

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

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

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

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

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

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

22	General Fund--State Appropriation (FY 2004)	\$22,145,000
23	General Fund--State Appropriation (FY 2005)	\$23,169,000
24	Department of Retirement Systems Expense Account--	
25	State Appropriation	\$45,000
26	TOTAL APPROPRIATION	\$45,359,000

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

29 (1) \$25,000 of the general fund--state appropriation is provided
30 for allocation to Project Citizen, a program of the national conference
31 of state legislatures to promote student civic involvement.

32 (2) \$150,000 of the general fund--state appropriation for fiscal
33 year 2004 is provided for the joint select committee on fiscal
34 stability.

35 (a) The joint select committee on fiscal stability is created,
36 consisting of twelve members as follows: Three members shall be

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2 senate and the two largest caucuses of the house of representatives.
3 The governor shall appoint an additional person to serve as the chair
4 of the committee. The chair may vote on procedural questions, but may
5 not vote on substantive questions concerning the research or
6 recommendations of the committee.

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14 state and local finance; improve the fairness of state and local
15 taxation; and improve the competitiveness of Washington's economy.

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17 these topics and its proposed recommendations. The hearings shall be
18 held in locations across the state and structured to encourage full
19 participation by persons who represent a balance of perspectives and
20 constituencies. The committee shall submit its findings and
21 recommendations in a report to the fiscal committees of the legislature
22 by January 1, 2004.

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24 senate committee services and the office of program research. The
25 department of revenue shall provide necessary support and information
26 to the committee. The chair of the committee shall be reimbursed for
27 travel expenses in accordance with RCW 43.03.050 and 43.03.060. All
28 expenses of the committee, including travel, shall be paid jointly by
29 the senate and the house of representatives.

30 **NEW SECTION. Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
31 **COMMITTEE**

32	General Fund--State Appropriation (FY 2004)	\$2,120,000
33	General Fund--State Appropriation (FY 2005)	\$2,230,000
34	TOTAL APPROPRIATION	\$4,350,000

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

1 (1) \$490,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$510,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the implementation of
4 Engrossed Substitute House Bill No. 1053 (government accountability).
5 If the bill is not enacted by June 30, 2003, the amounts provided in
6 this subsection shall lapse.

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

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

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

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

20	State Appropriation	\$2,590,000
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21 NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**
22 **COMMITTEE**

23	General Fund--State Appropriation (FY 2004)	\$6,661,000
24	General Fund--State Appropriation (FY 2005)	\$6,661,000
25	TOTAL APPROPRIATION	\$13,322,000

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

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

30 The appropriations in this section are subject to the following
31 conditions and limitations: \$42,100 of the general fund fiscal year
32 2004 appropriation and \$43,800 of the general fund fiscal year 2005

1 appropriation are provided solely for the uniform legislation
2 commission.

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

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

13	General Fund--State Appropriation (FY 2004)	\$5,457,000
14	General Fund--State Appropriation (FY 2005)	\$5,660,000
15	TOTAL APPROPRIATION	\$11,117,000

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

17	General Fund--State Appropriation (FY 2004)	\$2,055,000
18	General Fund--State Appropriation (FY 2005)	\$2,059,000
19	TOTAL APPROPRIATION	\$4,114,000

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

21	General Fund--State Appropriation (FY 2004)	\$12,533,000
22	General Fund--State Appropriation (FY 2005)	\$12,770,000
23	TOTAL APPROPRIATION	\$25,303,000

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

25	General Fund--State Appropriation (FY 2004)	\$909,000
26	General Fund--State Appropriation (FY 2005)	\$911,000
27	TOTAL APPROPRIATION	\$1,820,000

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

29	General Fund--State Appropriation (FY 2004)	\$18,454,000
30	General Fund--State Appropriation (FY 2005)	\$18,321,000
31	Public Safety and Education Account--State	

1	Appropriation	\$25,507,000
2	Civil Legal Services Account--State Appropriation	\$16,902,000
3	Judicial Information Systems Account--State	
4	Appropriation	\$27,955,000
5	TOTAL APPROPRIATION	\$107,139,000

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

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

12 (2) \$1,813,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,562,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the implementation of Senate
15 Bill No. 5990 (financial obligations). If the bill is not enacted by
16 June 30, 2003, the amounts provided in this subsection shall lapse. Of
17 the amounts provided in this subsection:

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

22 (b) \$1,000,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$800,000 of the general fund--state appropriation of
24 \$800,000 for fiscal year 2005 are provided solely for distribution to
25 the county clerks for the collection of legal financial obligations.
26 The funding shall be distributed by the office of the administrator for
27 the courts to the county clerks, in accordance with the funding formula
28 determined by the Washington association of county officials pursuant
29 to Senate Bill No. 5990.

30 (3) \$9,261,000 of the civil legal services account--state
31 appropriation is provided for civil legal services.

32 (4) \$7,641,000 of the civil legal services account--state
33 appropriation is provided solely for civil legal services. If
34 Substitute House Bill No. 1744 (court fees) is not enacted by June 30,
35 2003, the amount provided in this subsection shall lapse.

36 (5) \$278,000 of the general fund--state appropriation for fiscal
37 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

1 TOTAL APPROPRIATION \$14,159,000

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

4 (1) \$204,000 of the public safety and education account
5 appropriation is provided solely to increase the reimbursement for
6 private attorneys providing constitutionally mandated indigent defense
7 in nondeath penalty cases.

8 (2) \$51,000 of the public safety and education account
9 appropriation is provided solely for the implementation of chapter 303,
10 Laws of 1999 (court funding).

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

14 (4) \$50,000 of the public safety and education account--state
15 appropriation is provided solely for the evaluation required in chapter
16 92, Laws of 2000 (DNA testing).

17 (5) \$235,000 of the public safety and education account--state
18 appropriation is provided solely for the office of public defense.

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

20 General Fund--State Appropriation (FY 2004) \$4,014,000

21 General Fund--State Appropriation (FY 2005) \$3,917,000

22 General Fund--Federal Appropriation \$1,144,000

23 Water Quality Account--State
24 Appropriation \$3,872,000

25 TOTAL APPROPRIATION \$12,947,000

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

28 (1) \$3,872,000 of the water quality account appropriation and
29 \$1,144,000 of the general fund--federal appropriation are provided
30 solely for the Puget Sound water quality action team to implement the
31 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

32 (2) \$100,000 of the general fund--state appropriation for fiscal
33 year 2004 is provided solely for a consultant to support the work of
34 the early learning and child care task force created in section
35 501(1)(d) of this act.

1 year 2004 and \$118,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for legal advertising of state
3 measures under RCW 29.27.072.

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

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

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

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

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

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

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

1 (5) \$867,000 of the archives and records management account--state
2 appropriation is provided solely for operation of the central
3 microfilming bureau under RCW 40.14.020(8).

4 (6) \$6,038,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely to reimburse the counties for the state's
6 share of the cost of conducting the presidential primary.

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

11 NEW SECTION. **Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN**
12 **AFFAIRS**

13	General Fund--State Appropriation (FY 2004)	\$227,000
14	General Fund--State Appropriation (FY 2005)	\$238,000
15	TOTAL APPROPRIATION	\$465,000

16 NEW SECTION. **Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN**
17 **AFFAIRS**

18	General Fund--State Appropriation (FY 2004)	\$192,000
19	General Fund--State Appropriation (FY 2005)	\$192,000
20	TOTAL APPROPRIATION	\$384,000

21 NEW SECTION. **Sec. 121. FOR THE STATE TREASURER**

22	State Treasurer's Service Account--State	
23	Appropriation	\$13,215,000

24 NEW SECTION. **Sec. 122. FOR THE STATE AUDITOR**

25	General Fund--State Appropriation (FY 2004)	\$1,310,000
26	General Fund--State Appropriation (FY 2005)	\$1,511,000
27	State Auditing Services Revolving Account--State	
28	Appropriation	\$12,892,000
29	TOTAL APPROPRIATION	\$15,713,000

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

- 32 (1) Audits of school districts by the division of municipal
33 corporations shall include findings regarding the accuracy of: (a)

1 Student enrollment data; and (b) the experience and education of the
2 district's certified instructional staff, as reported to the
3 superintendent of public instruction for allocation of state funding.

4 (2) \$706,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$707,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for staff and related costs to
7 verify the accuracy of reported school district data submitted for
8 state funding purposes; conduct school district program audits of state
9 funded public school programs; establish the specific amount of state
10 funding adjustments whenever audit exceptions occur and the amount is
11 not firmly established in the course of regular public school audits;
12 and to assist the state special education safety net committee when
13 requested.

14 (3) \$500,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$700,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely to implement Substitute House Bill
17 No. 1053 (government accountability). If the bill is not enacted by
18 June 30, 2003, the amounts provided in this subsection shall lapse.

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

21	General Fund--State Appropriation (FY 2004)	\$80,000
22	General Fund--State Appropriation (FY 2005)	\$154,000
23	TOTAL APPROPRIATION	\$234,000

24 NEW SECTION. **Sec. 124. FOR THE ATTORNEY GENERAL**

25	General Fund--State Appropriation (FY 2004)	\$4,168,000
26	General Fund--State Appropriation (FY 2005)	\$4,224,000
27	General Fund--Federal Appropriation	\$2,857,000
28	Public Safety and Education Account--State	
29	Appropriation	\$1,824,000
30	Tobacco Prevention and Control Account--State	
31	Appropriation	\$270,000
32	New Motor Vehicle Arbitration Account--State	
33	Appropriation	\$1,184,000
34	Legal Services Revolving Account--State	
35	Appropriation	\$166,411,000

1 TOTAL APPROPRIATION \$180,938,000

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

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

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

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

26 (4) \$240,000 of the legal services revolving account--state
27 appropriation is provided solely to implement Engrossed Substitute
28 House Bill No. 1803 (recreation and conservation trust). If the bill
29 is not enacted by June 30, 2003, the amount provided in this subsection
30 shall lapse.

31 **NEW SECTION. Sec. 125. FOR THE CASELOAD FORECAST COUNCIL**
32 General Fund--State Appropriation (FY 2004) \$639,000
33 General Fund--State Appropriation (FY 2005) \$640,000
34 TOTAL APPROPRIATION \$1,279,000

1 NEW SECTION. **Sec. 126. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
 2 **AND ECONOMIC DEVELOPMENT**

3	General Fund--State Appropriation (FY 2004)	\$59,755,000
4	General Fund--State Appropriation (FY 2005)	\$59,500,000
5	General Fund--Federal Appropriation	\$198,410,000
6	General Fund--Private/Local Appropriation	\$10,598,000
7	Public Safety and Education Account--State	
8	Appropriation	\$5,905,000
9	Public Works Assistance Account--State	
10	Appropriation	\$1,929,000
11	Building Code Council Account--State	
12	Appropriation	\$1,065,000
13	Administrative Contingency Account--State	
14	Appropriation	\$1,774,000
15	Low-Income Weatherization Assistance Account--State	
16	Appropriation	\$3,293,000
17	Violence Reduction and Drug Enforcement Account--	
18	State Appropriation	\$6,048,000
19	Manufactured Home Installation Training Account--	
20	State Appropriation	\$258,000
21	Community Economic Development Account--	
22	State Appropriation	\$1,909,000
23	Washington Housing Trust Account--State	
24	Appropriation	\$16,770,000
25	Public Facility Construction Loan Revolving	
26	Account--State Appropriation	\$626,000
27	Lead Paint Account--State Appropriation	\$6,000
28	TOTAL APPROPRIATION	\$367,846,000

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

31 (1) \$2,838,000 of the general fund--state appropriation for fiscal
 32 year 2004 and \$2,838,000 of the general fund--state appropriation for
 33 fiscal year 2005 are provided solely for a contract with the Washington
 34 technology center. For work essential to the mission of the Washington
 35 technology center and conducted in partnership with universities, the
 36 center shall not pay any increased indirect rate nor increases in other

1 indirect charges above the absolute amount paid during the 1995-97
2 fiscal biennium.

3 (2) \$61,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$62,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for the implementation of the
6 Puget Sound work plan and agency action item OCD-01.

7 (3) \$10,180,797 of the general fund--federal appropriation is
8 provided solely for the drug control and system improvement formula
9 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (6) \$150,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$150,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the business retention and
28 expansion program to fund contracts with locally based development
29 organizations for local business and job retention activities.

30 (7) \$50,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$50,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for a contract with international
33 trade alliance of Spokane.

34 (8) \$5,085,000 of the general fund--state appropriation for fiscal
35 year 2004, \$5,085,000 of the general fund--state appropriation for
36 fiscal year 2005, \$4,250,000 of the general fund--federal
37 appropriation, and \$6,145,000 of the Washington housing trust account

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

6 (9) \$697,000 of the community economic development account
7 appropriation is provided solely for support of the developmental
8 disabilities endowment governing board and costs of the endowment
9 program. The governing board may use appropriations to implement a
10 sliding-scale fee waiver for families earning below 150 percent of the
11 state median family income.

12 (10) \$800,000 of the general fund--federal appropriation and \$6,000
13 of the lead paint account--state appropriation are provided solely to
14 implement Second Substitute House Bill No. 1913 (lead-based paint). If
15 the bill is not enacted by June 30, 2003, the amounts provided in this
16 subsection shall lapse.

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

20 (12) \$49,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$26,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely to implement Engrossed Second
23 Substitute House Bill No. 1338 (municipal water rights). If the bill
24 is not enacted by June 30, 2003, the amounts provided in this
25 subsection shall lapse.

26 (13) \$60,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$60,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the community services block
29 grant program for pass-through to community action agencies.

30 (14) \$26,862,000 of the general fund--state appropriation for
31 fiscal year 2004 and \$26,862,000 of the general fund--state
32 appropriation for fiscal year 2005 are provided solely for providing
33 early childhood education assistance.

34 (15) Within the amounts appropriated in this section, funding is
35 provided for Washington state dues for the Pacific northwest economic
36 region.

1 (16) \$698,000 of the general fund--state appropriation for fiscal
2 year 2004, \$698,000 of the general fund--state appropriation for fiscal
3 year 2005, and \$1,101,000 of the administrative contingency account
4 appropriation are provided solely for contracting with associate
5 development organizations to maintain existing programs.

6 (17) \$600,000 of the public safety and education account
7 appropriation is provided solely for sexual assault prevention and
8 treatment programs.

9 (18) \$65,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$65,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for a contract with a food
12 distribution program for communities in the southwestern portion of the
13 state and for workers impacted by timber and salmon fishing closures
14 and reductions. The department may not charge administrative overhead
15 or expenses to the funds provided in this subsection.

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

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

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

34	General Fund--State Appropriation (FY 2004)	\$518,000
35	General Fund--State Appropriation (FY 2005)	\$519,000
36	TOTAL APPROPRIATION	\$1,037,000

1 NEW SECTION. **Sec. 128. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

2	General Fund--State Appropriation (FY 2004)	\$14,219,000
3	General Fund--State Appropriation (FY 2005)	\$13,540,000
4	General Fund--Federal Appropriation	\$23,508,000
5	Violence Reduction and Drug Enforcement	
6	Account--State Appropriation	\$242,000
7	State Auditing Services Revolving	
8	Account--State Appropriation	\$25,000
9	TOTAL APPROPRIATION	\$51,534,000

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

12 (1) \$800,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$400,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to conduct a comprehensive study
15 of the Washington education finance system, including examination of
16 alternative teacher compensation models.

17 (2) The study shall, at a minimum:

18 (a) Compare Washington's common school funding system with those in
19 other states that are beginning to link finance systems with education
20 reform and expected student learning outcomes;

21 (b) Review the role of state and local funding and levy
22 equalization policies in the Washington common school finance system,
23 building upon the 2002 joint task force on local effort assistance
24 report;

25 (c) Design alternative common school finance systems for
26 Washington, with consideration of the following principles:

27 (i) Aligning the finance system with the policy expectations and
28 goals established under education reform to provide all students the
29 opportunity to achieve state standards;

30 (ii) Recognizing staffing as a key component of school district
31 costs, including the number of and compensation for certificated
32 instructional staff, certificated administrative staff, and classified
33 staff;

34 (iii) Providing stable and predictable funding for school
35 districts;

36 (iv) Supporting local flexibility in program delivery; and

1 (v) Providing accountability for taxpayers focused on student
2 learning outcomes;

3 (d) Design one or more alternative compensation models that:

4 (i) Attract and retain high performing teachers in all Washington
5 schools;

6 (ii) Reward teachers for improving their skills and knowledge in a
7 manner that translates into improved student learning;

8 (iii) Recognize participation in teacher mentoring programs; and
9 (iv) Recognize different career stages for teachers and the
10 leadership roles they perform in schools;

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

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

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

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

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

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

32 (e) The steering committee shall also include eight legislators:
33 The speaker of the house of representatives or a designee, the senate
34 majority leader or a designee, the house of representatives and senate
35 minority leaders or designees, and one additional member appointed by
36 each major caucus of the house of representatives and the senate.

1 (f) The governor, or the governor's appointee, shall chair the
2 committee.

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

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

8 (i) Legislative members of the steering committee shall be
9 reimbursed for travel expenses as provided in RCW 44.04.120. Other
10 members of the steering committee shall, and members of subcommittees
11 may, be reimbursed for travel expenses as provided in RCW 43.03.050 and
12 43.03.060.

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

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

25 (6) \$127,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$122,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely to implement Second Substitute
28 Senate Bill No. 5694 (integrated permit system). If the bill is not
29 enacted by June 30, 2003, the amounts provided in this subsection shall
30 lapse.

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

34 NEW SECTION. **Sec. 130. FOR THE DEPARTMENT OF PERSONNEL**
35 Department of Personnel Service Account--State

1	Appropriation	\$16,355,000
2	Higher Education Personnel Services Account--State	
3	Appropriation	\$1,601,000
4	TOTAL APPROPRIATION	\$17,956,000

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

13 **NEW SECTION. Sec. 131. FOR THE WASHINGTON STATE LOTTERY**
14 Lottery Administrative Account--State

15	Appropriation	\$27,666,000
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16 **NEW SECTION. Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS**

17	General Fund--State Appropriation (FY 2004)	\$201,000
18	General Fund--State Appropriation (FY 2005)	\$201,000
19	TOTAL APPROPRIATION	\$402,000

20 **NEW SECTION. Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN**
21 **AFFAIRS**

22	General Fund--State Appropriation (FY 2004)	\$196,000
23	General Fund--State Appropriation (FY 2005)	\$197,000
24	TOTAL APPROPRIATION	\$393,000

25 **NEW SECTION. Sec. 134. FOR THE PERSONNEL APPEALS BOARD**
26 Department of Personnel Service Account--State

27	Appropriation	\$1,729,000
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28 **NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
29 **OPERATIONS**

30	Dependent Care Administrative Account--State	
31	Appropriation	\$386,000
32	Department of Retirement Systems Expense Account--	

1	State Appropriation	\$45,567,000
2	TOTAL APPROPRIATION	\$45,953,000

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

5 (1) \$31,000 of the retirement systems expense account appropriation
6 is provided solely to implement House Bill No. 1519 (unreduced duty
7 death survivor benefits). If the bill is not enacted by June 30, 2003,
8 the amount provided in this subsection shall lapse.

9 (2) \$1,678,000 of the retirement systems expense account
10 appropriation is provided solely to implement House Bill No. 2197 (law
11 enforcement officers' and fire fighters' plan 2 board implementation).
12 If the bill is not enacted by June 30, 2003, the amount provided in
13 this subsection shall lapse.

14 (3) \$2,083,000 of the retirement systems expense account
15 appropriation is provided solely for the support of the information
16 systems project known as the electronic document image management
17 system.

18 (4) \$124,000 of the department of retirement systems expense
19 account--state appropriation is provided solely to implement House Bill
20 No. 1203 (substitute employees' retirement credit). If the bill is not
21 enacted by June 30, 2003, the amount provided in this subsection shall
22 lapse.

23 (5) \$77,000 of the department of retirement systems expense
24 account--state appropriation is provided solely to implement Senate
25 Bill No. 5100 (fallen hero survivor benefits). If the bill is not
26 enacted by June 30, 2003, the amount provided in this subsection shall
27 lapse.

28 (6) \$21,000 of the department of retirement systems expense
29 account--state appropriation is provided solely to implement House Bill
30 No. 1206 (plan 3 contributions). If the bill is not enacted by June
31 30, 2003, the amount provided in this subsection shall lapse.

32 (7) \$30,000 of the department of retirement systems expense
33 account--state appropriation is provided solely to implement House Bill
34 No. 1207 (employee death benefits). If the bill is not enacted by June
35 30, 2003, the amount provided in this subsection shall lapse.

36 (8) \$324,000 of the department of retirement systems expense

1 account--state appropriation is provided solely to implement Substitute
2 House Bill No. 1829 (retire-rehire reform). If the bill is not enacted
3 by June 30, 2003, the amount provided in this subsection shall lapse.

4 (9) \$125,000 of the department of retirement systems expense
5 account--state appropriation is provided solely to implement Substitute
6 House Bill No. 1202 (emergency medical technicians' retirement). If
7 the bill is not enacted by June 30, 2003, the amount provided in this
8 subsection shall lapse.

9 (10) \$358,000 of the department of retirement systems expense
10 account--state appropriation is provided solely to implement Engrossed
11 Substitute House Bill No. 2180 (early retirement incentives). If the
12 bill is not enacted by June 30, 2003, the amount provided in this
13 subsection shall lapse.

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

15	General Fund--State Appropriation (FY 2004)	\$100,000
16	State Investment Board Expense Account--State	
17	Appropriation	\$13,320,000
18	TOTAL APPROPRIATION	\$13,420,000

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

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

32	General Fund--State Appropriation (FY 2004)	\$79,688,000
33	General Fund--State Appropriation (FY 2005)	\$79,257,000
34	Timber Tax Distribution Account--State	
35	Appropriation	\$5,215,000

1	Waste Education/Recycling/Litter Control--State	
2	Appropriation	\$101,000
3	State Toxics Control Account--State	
4	Appropriation	\$67,000
5	Oil Spill Administration Account--State	
6	Appropriation	\$14,000
7	TOTAL APPROPRIATION	\$164,342,000

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

10 (1) \$93,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$210,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely to implement House Bill No. 1863
13 (implementation of the streamlined sales tax agreement). If the bill
14 is not enacted by June 30, 2003, the amounts provided in this
15 subsection shall lapse.

16 (2) \$104,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely for the implementation of Engrossed House
18 Bill No. 2030 (B&O tax uniformity). If the bill is not enacted by June
19 30, 2003, the amount provided in this subsection shall lapse.

20 NEW SECTION. Sec. 138. FOR THE BOARD OF TAX APPEALS

21	General Fund--State Appropriation (FY 2004)	\$1,159,000
22	General Fund--State Appropriation (FY 2005)	\$1,006,000
23	TOTAL APPROPRIATION	\$2,165,000

24 NEW SECTION. Sec. 139. FOR THE MUNICIPAL RESEARCH COUNCIL

25	City and Town Research Services Account--	
26	State Appropriation	\$3,852,000
27	County Research Services Account--State	
28	Appropriation	\$769,000
29	TOTAL APPROPRIATION	\$4,621,000

30 NEW SECTION. Sec. 140. FOR THE OFFICE OF MINORITY AND WOMEN'S
31 **BUSINESS ENTERPRISES**

32	OMWBE Enterprises Account--State	
33	Appropriation	\$1,994,000

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

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

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

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

15 NEW SECTION. **Sec. 141. FOR THE DEPARTMENT OF GENERAL**
16 **ADMINISTRATION**

17	General Fund--State Appropriation (FY 2004)	\$223,000
18	General Fund--State Appropriation (FY 2005)	\$305,000
19	General Fund--Federal Appropriation	\$3,217,000
20	General Administration Services Account--State	
21	Appropriation	\$38,030,000
22	TOTAL APPROPRIATION	\$41,775,000

23 NEW SECTION. **Sec. 142. FOR THE DEPARTMENT OF INFORMATION**
24 **SERVICES**

25	Data Processing Revolving Account--State	
26	Appropriation	\$3,587,000

27 NEW SECTION. **Sec. 143. FOR THE INSURANCE COMMISSIONER**

28	General Fund--Federal Appropriation	\$635,000
29	Insurance Commissioners Regulatory Account--State	
30	Appropriation	\$33,008,000
31	TOTAL APPROPRIATION	\$33,643,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: \$557,000 of the insurance commissioner's

1 regulatory account--state appropriation is provided solely for a Health
2 Care Access Options Working Group.

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

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

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

36 Certified Public Accountants' Account--State

1 Appropriation \$1,895,000

2 The appropriation in this section is subject to the following
3 conditions and limitations: \$260,000 of the certified public
4 accountants' account appropriation is provided solely for the
5 implementation of Substitute House Bill No. 1211 (public accountancy
6 act). If the bill is not enacted by June 30, 2003, this amount shall
7 lapse.

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

9 Death Investigations Account--State

10 Appropriation \$274,000

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

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

20 Horse Racing Commission Account--State

21 Appropriation \$4,621,000

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

23 General Fund--State Appropriation (FY 2004) \$1,459,000

24 General Fund--State Appropriation (FY 2005) \$1,460,000

25 Liquor Control Board Construction and Maintenance

26 Account--State Appropriation \$5,717,000

27 Liquor Revolving Account--State

28 Appropriation \$134,274,000

29 TOTAL APPROPRIATION \$142,910,000

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

32 (1) \$2,000,000 of the liquor revolving account appropriation is
33 provided solely for the costs associated with the completion of the

1 merchandising business system. Actual expenditures are limited to the
2 balance of funds remaining from the \$4,803,000 appropriation provided
3 for the merchandise business system in the 2001-03 budget.

4 (2) \$1,309,000 of the liquor revolving account appropriation is
5 provided solely for the costs associated with purchasing merchandise
6 business system software and hardware-related items, and hiring system-
7 related staff.

8 NEW SECTION. **Sec. 148. FOR THE UTILITIES AND TRANSPORTATION**
9 **COMMISSION**

10	Public Service Revolving Account--State	
11	Appropriation	\$26,611,000
12	Pipeline Safety Account--State	
13	Appropriation	\$2,809,000
14	Pipeline Safety Account--Federal	
15	Appropriation	\$1,084,000
16	TOTAL APPROPRIATION	\$30,504,000

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

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

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

25 (3) \$135,000 of the public services revolving account appropriation
26 and \$15,000 of the pipeline safety account--state appropriation are
27 provided solely for the implementation of the commission's financial
28 systems project. If final approval for the project is not granted by
29 the office of financial management, the amounts provided in this
30 subsection shall lapse.

31 (4) \$200,000 of the public services revolving account appropriation
32 is provided solely for an interagency transfer to the joint legislative
33 audit and review committee for the implementation of Substitute House
34 Bill No. 1013 (UTC performance audit). If the bill is not enacted by
35 June 30, 2003, the amount provided in this subsection shall lapse.

1 NEW SECTION. **Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

2 Volunteer Firefighters' Relief and Pension
3 Administrative Account--State

4 Appropriation \$699,000

5 NEW SECTION. **Sec. 150. FOR THE MILITARY DEPARTMENT**

6 General Fund--State Appropriation (FY 2004) \$8,581,000

7 General Fund--State Appropriation (FY 2005) \$8,318,000

8 General Fund--Federal Appropriation \$82,112,000

9 General Fund--Private/Local Appropriation \$371,000

10 Enhanced 911 Account--State Appropriation \$33,959,000

11 Disaster Response Account--State Appropriation \$190,000

12 Worker and Community Right to Know Fund--State

13 Appropriation \$290,000

14 Nisqually Earthquake Account--State

15 Appropriation \$13,129,000

16 Nisqually Earthquake Account--Federal

17 Appropriation \$48,726,000

18 TOTAL APPROPRIATION \$195,676,000

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

21 (1) \$100,000 of the general fund--state fiscal year 2004
22 appropriation and \$100,000 of the general fund--state fiscal year 2005
23 appropriation are provided solely for implementation of the conditional
24 scholarship program pursuant to chapter 28B.103 RCW.

25 (2) \$35,000 of the general fund--state fiscal year 2004
26 appropriation and \$35,000 of the general fund--state fiscal year 2005
27 appropriation are provided solely for the north county emergency
28 medical service.

29 (3) \$190,000 of the disaster response account--state appropriation
30 is provided solely to develop and implement a disaster grant management
31 system. The military department shall also submit a report quarterly
32 to the office of financial management and the legislative fiscal
33 committees detailing information on the disaster response account,
34 including: (a) The amount and type of deposits into the account; (b)
35 the current available fund balance as of the reporting date; and (c)

1 the projected fund balance at the end of the 2003-05 biennium based on
2 current revenue and expenditure patterns.

3 (4) \$10,129,000 of the Nisqually earthquake account--state
4 appropriation and \$48,726,000 of the Nisqually earthquake account--
5 federal appropriation are provided solely for response and recovery
6 costs associated with the February 28, 2001, earthquake. The military
7 department shall submit a report quarterly to the office of financial
8 management and the legislative fiscal committees detailing earthquake
9 recovery costs, including: (a) Estimates of total costs; (b)
10 incremental changes from the previous estimate; (c) actual
11 expenditures; (d) estimates of total remaining costs to be paid; and
12 (e) estimates of future payments by biennium. This information shall
13 be displayed by fund, by type of assistance, and by amount paid on
14 behalf of state agencies or local organizations. The military
15 department shall also submit a report quarterly to the office of
16 financial management and the legislative fiscal committees detailing
17 information on the Nisqually earthquake account, including: (a) The
18 amount and type of deposits into the account; (b) the current available
19 fund balance as of the reporting date; and (c) the projected fund
20 balance at the end of the 2003-05 biennium based on current revenue and
21 expenditure patterns.

22 (5) \$3,000,000 of the Nisqually earthquake account--state
23 appropriation is provided solely to cover other response and recovery
24 costs associated with the Nisqually earthquake that are not eligible
25 for federal emergency management agency reimbursement. Prior to
26 expending funds provided in this subsection, the military department
27 shall obtain prior approval of the director of financial management.
28 Prior to approving any single project of over \$1,000,000, the office of
29 financial management shall notify the fiscal committees of the
30 legislature. The military department is to submit a quarterly report
31 detailing the costs authorized under this subsection to the office of
32 financial management and the legislative fiscal committees.

33 (6) \$200,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$53,555,000 of the general fund--federal appropriation
35 are provided solely for homeland security, to be distributed as
36 follows:

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

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

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

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

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

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

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

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

30 (i) The department shall submit a quarterly report to the office of
31 financial management and the legislative fiscal committees detailing
32 the governor's domestic security advisory group recommendations;
33 homeland security revenues and expenditures, including estimates of
34 total federal funding for Washington state; incremental changes from
35 the previous estimate, planned and actual homeland security
36 expenditures by the state and local governments with this federal
37 funding; and matching or accompanying state or local expenditures.

1 NEW SECTION. **Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS**

2 **COMMISSION**

3	General Fund--State Appropriation (FY 2004)	\$2,381,000
4	General Fund--State Appropriation (FY 2005)	\$2,415,000
5	Department of Personnel Service Account--State	
6	Appropriation	\$2,545,000
7	TOTAL APPROPRIATION	\$7,341,000

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

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

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

13	State Convention and Trade Center Operating	
14	Account--State Appropriation	\$40,705,000
15	State Convention and Trade Center Account--State	
16	Appropriation	\$31,037,000
17	TOTAL APPROPRIATION	\$71,742,000

(End of part)

PART II
HUMAN SERVICES

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

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

(3) The 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

1	General Fund--Federal Appropriation	\$435,340,000
2	General Fund--Private/Local Appropriation	\$400,000
3	Public Safety and Education Account--	
4	State Appropriation	\$23,920,000
5	Violence Reduction and Drug Enforcement Account--	
6	State Appropriation	\$5,640,000
7	TOTAL APPROPRIATION	\$926,471,000

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

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

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

28 (2) \$1,076,000 of the general fund--state appropriation for fiscal
29 year 2004, \$1,076,000 of the general fund--state appropriation for
30 fiscal year 2005, and \$322,000 of the general fund--federal
31 appropriation are provided solely for pediatric interim care.

32 (3) \$807,000 of the fiscal year 2004 general fund--state
33 appropriation, \$856,000 of the fiscal year 2005 general fund--state
34 appropriation, and \$4,151,000 of the violence reduction and drug
35 enforcement account appropriation are provided solely for the family
36 policy council and community public health and safety networks. The
37 funding level for the family policy council and community public health

1 and safety networks represents a 10 percent reduction below the funding
2 level for the 2001-2003 biennium. Reductions to network grants shall
3 be allocated so as to maintain current funding levels, to the greatest
4 extent possible, for projects with the strongest evidence of positive
5 outcomes.

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

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

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

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

25	General Fund--State Appropriation (FY 2004)	\$75,190,000
26	General Fund--State Appropriation (FY 2005)	\$73,787,000
27	General Fund--Federal Appropriation	\$12,689,000
28	General Fund--Private/Local Appropriation	\$1,098,000
29	Juvenile Accountability Incentive	
30	Account--Federal Appropriation	\$9,139,000
31	Public Safety and Education	
32	Account--State Appropriation	\$6,092,000
33	Violence Reduction and Drug Enforcement Account--	
34	State Appropriation	\$37,338,000
35	TOTAL APPROPRIATION	\$215,333,000

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

3 (1) \$696,000 of the violence reduction and drug enforcement account
4 appropriation is provided solely for deposit in the county criminal
5 justice assistance account for costs to the criminal justice system
6 associated with the implementation of chapter 338, Laws of 1997
7 (juvenile code revisions). The amounts provided in this subsection are
8 intended to provide funding for county adult court costs associated
9 with the implementation of chapter 338, Laws of 1997 and shall be
10 distributed in accordance with RCW 82.14.310.

11 (2) \$6,066,000 of the violence reduction and drug enforcement
12 account appropriation is provided solely for the implementation of
13 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
14 provided in this subsection are intended to provide funding for county
15 impacts associated with the implementation of chapter 338, Laws of 1997
16 and shall be distributed to counties as prescribed in the current
17 consolidated juvenile services (CJS) formula.

18 (3) \$1,206,000 of the general fund--state appropriation for fiscal
19 year 2004, \$1,206,000 of the general fund--state appropriation for
20 fiscal year 2005, and \$5,274,000 of the violence reduction and drug
21 enforcement account appropriation are provided solely to implement
22 community juvenile accountability grants pursuant to chapter 338, Laws
23 of 1997 (juvenile code revisions). Funds provided in this subsection
24 may be used solely for community juvenile accountability grants,
25 administration of the grants, and evaluations of programs funded by the
26 grants.

27 (4) \$2,549,000 of the violence reduction and drug enforcement
28 account appropriation is provided solely to implement alcohol and
29 substance abuse treatment programs for locally committed offenders.
30 The juvenile rehabilitation administration shall award these moneys on
31 a competitive basis to counties that submitted a plan for the provision
32 of services approved by the division of alcohol and substance abuse.
33 The juvenile rehabilitation administration shall develop criteria for
34 evaluation of plans submitted and a timeline for awarding funding and
35 shall assist counties in creating and submitting plans for evaluation.

36 (5) \$100,000 of the general fund--state appropriation for fiscal

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

4 (6) \$16,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$16,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the implementation of chapter
7 167, Laws of 1999 (firearms on school property). The amounts provided
8 in this subsection are intended to provide funding for county impacts
9 associated with the implementation of chapter 167, Laws of 1999, and
10 shall be distributed to counties as prescribed in the current
11 consolidated juvenile services (CJS) formula.

12 (7) \$6,094,000 of the public safety and education account--state
13 appropriation is provided solely for distribution to county juvenile
14 court administrators to fund the costs of processing children in need
15 of services and at-risk youth petitions. The department shall not
16 retain any portion of these funds to cover administrative or any other
17 departmental costs. The department, in conjunction with the juvenile
18 court administrators, shall develop an equitable funding distribution
19 formula. The formula shall neither reward counties with higher than
20 average per-petition processing costs nor shall it penalize counties
21 with lower than average per-petition processing costs. The
22 distributions made under this subsection and distributions from the
23 county criminal justice assistance account made pursuant to section 801
24 of this act constitute appropriate reimbursement for costs for any new
25 programs or increased level of service for purposes of RCW 43.135.060.

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

36 (9) \$1,478,000 of the juvenile accountability incentive account--

1 federal appropriation is provided solely for the continued
2 implementation of a pilot program to provide for postrelease planning
3 and treatment of juvenile offenders with co-occurring disorders.

4 (10) \$16,000 of the violence reduction and drug enforcement account
5 appropriation is provided solely for the evaluation of the juvenile
6 offender co-occurring disorder pilot program implemented pursuant to
7 (9) of this section.

8 (11) \$900,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$900,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the continued implementation
11 of the juvenile violence prevention grant program established in
12 section 204, chapter 309, Laws of 1999.

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

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

23 (14) \$261,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$820,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely to reimburse counties for local
26 juvenile disposition alternatives implemented pursuant to Senate Bill
27 No. 5903 (juvenile offender sentencing). The juvenile rehabilitation
28 administration, in consultation with the juvenile court administrators,
29 shall develop an equitable distribution formula for the funding
30 provided in this subsection. The juvenile rehabilitation
31 administration may adjust this funding level in the event that
32 utilization rates of the disposition alternatives are lower than the
33 level anticipated by the total appropriations to the juvenile
34 rehabilitation administration in this section. If the bill is not
35 enacted by June 30, 2003, the amounts provided in this subsection shall
36 lapse.

1 (15) \$485,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$831,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to the juvenile courts for
4 additional research-based probation services for youth with local
5 dispositions that include community supervision pursuant to chapter
6 13.40 RCW. The juvenile rehabilitation administration, in consultation
7 with the juvenile court administrators and the Washington state
8 institute for public policy, shall develop a funding formula that
9 distributes the moneys appropriated in this subsection in an equitable
10 manner and in a way that considers county-by-county differences in
11 probation services.

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

14 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

15 General Fund--State Appropriation (FY 2004)	\$204,296,000
16 General Fund--State Appropriation (FY 2005)	\$204,137,000
17 General Fund--Federal Appropriation	\$384,166,000
18 General Fund--Local Appropriation	\$1,970,000
19 TOTAL APPROPRIATION	\$794,569,000

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

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

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

32 (c) \$4,222,000 of the general fund--state appropriation for fiscal
33 year 2004, \$4,222,000 of the general fund--state appropriation for
34 fiscal year 2005, and \$8,444,000 of the general fund--federal
35 appropriation are provided solely for the continued operation of
36 community residential and support services for persons whose treatment

1 needs constitute substantial barriers to community placement and who no
2 longer require active psychiatric treatment at an inpatient hospital
3 level of care, no longer meet the criteria for inpatient involuntary
4 commitment, and have been discharged from a state psychiatric hospital.
5 Primary responsibility and accountability for provision of appropriate
6 community support for persons placed with these funds shall reside with
7 the mental health program and the regional support networks, with
8 partnership and active support from the alcohol and substance abuse and
9 from the aging and disability services administration. The department
10 shall continue performance-based incentive contracts to provide
11 appropriate community support services for individuals leaving the
12 state hospitals under this subsection. The department shall first seek
13 to contract with regional support networks before offering a contract
14 to any other party. The funds appropriated in this subsection shall
15 not be considered "available resources" as defined in RCW 71.24.025 and
16 are not subject to the standard allocation formula applied in
17 accordance with RCW 71.24.035(13)(a).

18 (d) At least \$904,000 of the federal block grant funding
19 appropriated in this subsection shall be used for the continued
20 operation of the mentally ill offender pilot program.

21 (e) The department is authorized to implement a new formula for
22 allocating available resources among the regional support networks.
23 The distribution formula shall use the number of persons eligible for
24 the state medical programs funded under chapter 74.09 RCW as the
25 measure of the requirement for the number of acutely mentally ill,
26 chronically mentally ill, severely emotionally disturbed children, and
27 seriously disturbed in accordance with RCW 71.24.035(13)(a). The new
28 formula shall be phased in over a period of no less than six years.
29 Furthermore, the department shall increase the medicaid capitation
30 rates which a regional support network would otherwise receive under
31 the formula by an amount sufficient to assure that total funding
32 allocated to the regional support network in fiscal year 2004 increases
33 by up to 5.0 percent over the amount actually paid to that regional
34 support network in fiscal year 2003, and by up to an additional 5.0
35 percent in fiscal year 2005, if total funding to the regional support
36 network would otherwise increase by less than those percentages under

1 the new formula, and provided that the nonfederal share of the higher
2 medicaid payment rate is provided by the regional support network from
3 local funds.

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

23 (g) The department shall assure that each regional support network
24 increases spending on direct client services in fiscal years 2004 and
25 2005 by at least the same percentage as the total state, federal, and
26 local funds allocated to the regional support network in those years
27 exceeds the amounts allocated to it in fiscal year 2003.

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

33 (i) The department is authorized to develop an integrated health
34 care program designed to slow the progression of illness and disability
35 and better manage medicaid expenditures for the aged and disabled
36 population. In accordance with the Washington medicaid integration
37 partnership (WMIP), the department may combine and transfer such

1 medicaid funds (including medical, long-term care, mental health, and
2 substance abuse treatment) as may be necessary to finance a unified
3 health care plan for the WMIP program enrollment. The state may
4 withhold from calculations of "available resources" as defined in RCW
5 71.24.025 a sum equal to the capitated rate for individuals enrolled in
6 this pilot program.

7 (2) INSTITUTIONAL SERVICES

8	General Fund--State Appropriation (FY 2004)	\$94,032,000
9	General Fund--State Appropriation (FY 2005)	\$92,812,000
10	General Fund--Federal Appropriation	\$134,622,000
11	General Fund--Private/Local Appropriation	\$26,342,000
12	TOTAL APPROPRIATION	\$347,808,000

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

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

18 (b) The mental health program at Western state hospital shall
19 continue to use labor provided by the Tacoma prerelease program of the
20 department of corrections.

21 (3) CIVIL COMMITMENT

22	General Fund--State Appropriation (FY 2004)	\$27,823,000
23	General Fund--State Appropriation (FY 2005)	\$32,184,000
24	TOTAL APPROPRIATION	\$60,007,000

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

27 (a) \$1,381,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$2,090,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for operational costs associated
30 with a less restrictive step-down placement facility on McNeil Island.

31 (b) \$300,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$300,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for mitigation funding for
34 jurisdictions affected by the placement of less restrictive alternative
35 facilities for persons conditionally released from the special
36 commitment center facility being constructed on McNeil Island. Of this

1 amount, \$45,000 per year shall be provided to the city of Lakewood on
 2 September 1, 2003, and September 1, 2004, for police protection
 3 reimbursement at Western State Hospital and adjacent areas, up to
 4 \$45,000 per year is provided for training police personnel on chapter
 5 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000 per year
 6 is provided for Pierce county for reimbursement of additional costs,
 7 and the remaining amounts are for other documented costs by
 8 jurisdictions directly impacted by the placement of the secure
 9 community transition facility on McNeil Island. Pursuant to chapter
 10 12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall
 11 continue to work with local jurisdictions towards reaching agreement
 12 for mitigation costs.

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

18 (4) SPECIAL PROJECTS
 19 General Fund--Federal Appropriation \$2,082,000

20 (5) PROGRAM SUPPORT
 21 General Fund--State Appropriation (FY 2004) \$3,771,000
 22 General Fund--State Appropriation (FY 2005) \$3,711,000
 23 General Fund--Federal Appropriation \$6,830,000
 24 TOTAL APPROPRIATION \$14,312,000

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

27 (a) \$113,000 of the general fund--state appropriation for fiscal
 28 year 2004, \$125,000 of the general fund--state appropriation for fiscal
 29 year 2005, and \$164,000 of the general fund--federal appropriation are
 30 provided solely for the institute for public policy to evaluate the
 31 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
 32 297, Laws of 1998 (commitment of mentally ill persons), and chapter
 33 334, Laws of 2001 (mental health performance audit).

34 (b) \$50,000 of the general fund--state appropriation for fiscal
 35 year 2004 and \$50,000 of the general fund--federal appropriation are
 36 provided solely for a study of the prevalence of mental illness among

1 the state's regional support networks. The study shall examine how
2 reasonable estimates of the prevalence of mental illness relate to the
3 incidence of persons enrolled in medical assistance programs in each
4 regional support network area. In conducting this study, the
5 department shall consult with the joint legislative audit and review
6 committee, regional support networks, community mental health
7 providers, and mental health consumer representatives. The department
8 shall submit a final report on its findings to the fiscal, health care,
9 and human services committees of the legislature by November 1, 2003.

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

12 (1) COMMUNITY SERVICES

13 General Fund--State Appropriation (FY 2004)	\$255,887,000
14 General Fund--State Appropriation (FY 2005)	\$259,444,000
15 General Fund--Federal Appropriation	\$430,819,000
16 Health Services Account--State	
17 Appropriation	\$1,038,000
18 TOTAL APPROPRIATION	\$947,188,000

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

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

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

1 basic health plan or through an alternative plan with substantially
2 equivalent benefits.

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

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

32 (e) The department shall increase its efforts to understand,
33 manage, and control expenditure growth in the developmental
34 disabilities programs. The appropriations in this section anticipate
35 that the department implements a combination of cost containment and
36 utilization strategies sufficient to reduce general fund--state costs
37 by approximately \$5,000,000. The department shall report to the fiscal

1 committees of the legislature by October 1, 2003, on its specific plans
2 and semiannual targets for accomplishing these savings. The department
3 shall report again to the fiscal committees by March 1, 2004, and by
4 September 1, 2004, on actual performance relative to the semiannual
5 targets. If satisfactory progress is not being made to achieve these
6 savings, the reports shall include recommendations for additional or
7 alternative measures to control costs.

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

12 (2) INSTITUTIONAL SERVICES

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

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

24 (3) PROGRAM SUPPORT

25	General Fund--State Appropriation (FY 2004)	\$2,281,000
26	General Fund--State Appropriation (FY 2005)	\$2,281,000
27	General Fund--Federal Appropriation	\$2,975,000
28	Telecommunications Devices for the Hearing and 29 Speech Impaired Account Appropriation	\$1,782,000
30	TOTAL APPROPRIATION	\$9,319,000

31 (4) SPECIAL PROJECTS

32	General Fund--Federal Appropriation	\$11,997,000
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33 NEW SECTION. **Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
34 **SERVICES--AGING AND ADULT SERVICES PROGRAM**

35	General Fund--State Appropriation (FY 2004)	\$544,305,000
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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

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

9 (1) The entire health services account appropriation, \$1,476,000 of
10 the general fund--state appropriation for fiscal year 2004, \$1,476,000
11 of the general fund--state appropriation for fiscal year 2005, and
12 \$7,284,000 of the general fund--federal appropriation are provided
13 solely for health care benefits for home care workers who are employed
14 through state contracts for at least twenty hours per week. Premium
15 payments for individual provider home care workers shall be made only
16 to the subsidized basic health plan, and only for persons with incomes
17 below 200 percent of the federal poverty level. Home care agencies may
18 obtain coverage either through the basic health plan or through an
19 alternative plan with substantially equivalent benefits.

20 (2) \$1,771,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,771,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for operation of the volunteer
23 chore services program.

24 (3) For purposes of implementing chapter 74.46 RCW, the weighted
25 average nursing facility payment rate shall be no more than \$142.14 for
26 fiscal year 2004, and no more than \$145.52 for fiscal year 2005. For
27 all facilities, the direct care, therapy care, and support services
28 component rates established in accordance with chapter 74.46 RCW shall
29 be adjusted for economic trends and conditions by 3.0 percent effective
30 July 1, 2003. For all facilities, the operations component rates
31 established in accordance with chapter 74.46 RCW shall be adjusted for
32 economic trends and conditions by 2.0 percent effective September 1,
33 2004.

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

1 and ready for occupancy in fiscal year 2005; and up to \$32 million of
2 increased asset value completed and ready for occupancy in fiscal year
3 2006.

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

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

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

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

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

23 (7) \$30,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$20,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for payments to any nursing
26 facility licensed under chapter 18.51 RCW which meets all of the
27 following criteria: (a) The nursing home entered into an arm's length
28 agreement for a facility lease prior to January 1, 1980; (b) the lessee
29 purchased the leased nursing home after January 1, 1980; and (c) the
30 lessor defaulted on its loan or mortgage for the assets of the home
31 after January 1, 1991, and prior to January 1, 1992. Payments provided
32 pursuant to this subsection shall not be subject to the settlement,
33 audit, or rate-setting requirements contained in chapter 74.46 RCW.

34 (8) \$118,000 of the general fund--state appropriation for fiscal
35 year 2004, \$118,000 of the general fund--state appropriation for fiscal
36 year 2005, and \$236,000 of the general fund--federal appropriation are
37 provided solely for the department to assess at least annually each

1 elderly resident residing in residential habilitation centers and
2 state-operated living alternatives to determine if the resident can be
3 more appropriately served in a less restrictive setting.

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

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

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

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

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

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

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

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

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

33 (1) \$273,652,000 of the general fund--state appropriation for
34 fiscal year 2004, \$273,695,000 of the general fund--state appropriation
35 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal

1 appropriation are provided solely for all components of the WorkFirst
2 program. Within the amounts provided for the WorkFirst program, the
3 department shall:

4 (a) Continue to implement WorkFirst program improvements that are
5 designed to achieve progress against outcome measures specified in RCW
6 74.08A.410. Valid outcome measures of job retention and wage
7 progression shall be developed and reported quarterly to appropriate
8 fiscal and policy committees of the legislature for families who leave
9 assistance, measured after 12 months, 24 months, and 36 months. The
10 department shall also report the percentage of families who have
11 returned to temporary assistance for needy families after 12 months, 24
12 months, and 36 months; and

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

21 (2) \$45,639,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$39,335,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for cash assistance and other
24 services to recipients in the general assistance--unemployable program.
25 Within these amounts, the department may expend funds for services that
26 assist recipients to reduce their dependence on public assistance,
27 provided that expenditures for these services and cash assistance do
28 not exceed the funds provided.

29 (3) \$1,436,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$1,436,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided for the department to assist in
32 naturalization efforts for legal aliens whose eligibility for federal
33 supplemental security income has expired. The department shall use
34 funding previously spent on general assistance employment supports for
35 these naturalization services.

36 (4) In reviewing the budget for the division of child support, the
37 legislature has conducted a review of the Washington state child

1 support schedule, chapter 26.19 RCW, and supporting documentation as
2 required by federal law. The legislature concludes that the
3 application of the support schedule continues to result in the correct
4 amount of child support to be awarded. No further changes will be made
5 to the support schedule or the economic table at this time.

6 (5) \$10,000,000 of the general fund--state appropriation for fiscal
7 year 2004 is provided solely for one-time expenditures needed to meet
8 the federally required level for state supplemental payments (SSP).
9 The department may transfer a portion of this amount to other programs
10 within the agency to accomplish this purpose. To the extent that the
11 required expenditure level must be met by funding new services, one-
12 time payments to all SSI clients currently not receiving state
13 supplemental payments shall be provided. Individuals receiving one-
14 time payments shall not become eligible for medical assistance under
15 RCW 74.09.510 due solely to the receipt of SSI state supplemental
16 payments.

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

19	General Fund--State Appropriation (FY 2004)	\$35,523,000
20	General Fund--State Appropriation (FY 2005)	\$35,524,000
21	General Fund--Federal Appropriation	\$90,664,000
22	General Fund--Private/Local Appropriation	\$630,000
23	Public Safety and Education Account--State	
24	Appropriation	\$15,208,000
25	Criminal Justice Treatment Account--State	
26	Appropriation	\$8,950,000
27	Violence Reduction and Drug Enforcement Account--	
28	State Appropriation	\$47,523,000
29	TOTAL APPROPRIATION	\$234,022,000

30 The appropriations in this section are subject to the following
31 conditions and limitations: \$966,197 of the general fund--state
32 appropriation for fiscal year 2004 and \$966,197 of the general fund--
33 state appropriation for fiscal year 2005 are provided solely for the
34 parent child assistance program. The department shall contract with
35 the University of Washington and community based providers in Spokane

1 and Yakima for the provision of this program. For all contractors,
2 indirect charges for administering the program shall not exceed ten
3 percent of the total contract amount.

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

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

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

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

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

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

29 (4) \$999,000 of the health services account appropriation for
30 fiscal year 2004, \$1,519,000 of the health services account
31 appropriation for fiscal year 2005, and \$2,142,000 of the general
32 fund--federal appropriation are provided solely for implementation of
33 a "ticket to work" medicaid buy-in program for working persons with
34 disabilities, operated in accordance with the following conditions:

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

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

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

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

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

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

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

25 (8) In accordance with RCW 74.46.625, \$52,057,000 of the fiscal
26 year 2004 health services account appropriation, \$35,016,000 of the
27 fiscal year 2005 health services account appropriation, and \$87,074,000
28 of the general fund--federal appropriation are provided solely for
29 supplemental payments to nursing homes operated by rural public
30 hospital districts. The payments shall be conditioned upon (a) a
31 contractual commitment by the association of public hospital districts
32 and participating rural public hospital districts to make an
33 intergovernmental transfer to the state treasurer, for deposit into the
34 health services account, equal to at least 98 percent of the
35 supplemental payments; and (b) a contractual commitment by the
36 participating districts to not allow expenditures covered by the

1 supplemental payments to be used for medicaid nursing home rate-
2 setting. The participating districts shall retain no more than a total
3 of \$3,500,000 for the 2003-05 biennium.

4 (9) \$14,616,000 of the health services account appropriation for
5 fiscal year 2004, \$12,394,000 of the health services account
6 appropriation for fiscal year 2005, and \$27,010,000 of the general
7 fund--federal appropriation are provided solely for additional
8 disproportionate share and medicare upper payment limit payments to
9 public hospital districts.

10 The payments shall be conditioned upon a contractual commitment by
11 the participating public hospital districts to make an
12 intergovernmental transfer to the health services account equal to at
13 least 91 percent of the additional payments. At least 28 percent of
14 the amounts retained by the participating hospital districts shall be
15 allocated to the state's teaching hospitals.

16 (10) \$20,000,000 of the general fund--state appropriation for
17 fiscal year 2004, \$20,000,000 of the general fund--state appropriation
18 for fiscal year 2005, and \$40,000,000 of the general fund--federal
19 appropriation are provided solely for grants to hospital serving a
20 disproportionate share of low-income and uninsured patients. In
21 developing a methodology for distributing grants to hospitals, the
22 department may consider relative net financial margins of hospitals.

23 (11) The department shall coordinate with the health care authority
24 and with community and migrant health clinics to actively assist
25 children and immigrant adults not eligible for medicaid to enroll in
26 the basic health plan.

27 (12) The department shall separately track the total amount of any
28 rebates obtained from drug manufacturers that are supplemental to the
29 amounts required by federal law.

30 (13) \$156,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,403,000 of the general fund--federal appropriation are
32 provided solely for a study to assess alternatives for replacing the
33 existing medicaid management information system. The department shall
34 report to the information services board and to the fiscal committees
35 of the legislature by December 1, 2003, on the anticipated costs and
36 benefits of the major alternative approaches.

1 (14) The department is authorized to develop an integrated health
2 care program designed to slow the progression of illness and disability
3 and better manage medicaid expenditures for the aged and disabled
4 population. In accordance with the Washington medicaid integration
5 partnership (WMIP) the department may combine and transfer such
6 medicaid funds (including medical, long-term care, mental health and
7 substance abuse treatment) as may be necessary to finance a unified
8 health care plan for the WMIP program enrollment. The state may
9 withhold from calculations of "available resources" as defined in RCW
10 71.24.025 a sum equal to the capitated rate for individuals enrolled in
11 this pilot.

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

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

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

36 (18) Within available resources and to the extent possible, the
37 department shall evaluate and pilot a nurse consultant services program

1 to assist fee-for-service clients in accessing medical information,
2 with the goal of reducing administrative burdens on physicians and
3 unnecessary emergency room utilization.

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

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

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

25	General Fund--State Appropriation (FY 2004)	\$10,479,000
26	General Fund--State Appropriation (FY 2005)	\$10,792,000
27	General Fund--Federal Appropriation	\$85,777,000
28	TOTAL APPROPRIATION	\$107,048,000

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

31	General Fund--State Appropriation (FY 2004)	\$26,001,000
32	General Fund--State Appropriation (FY 2005)	\$57,668,000
33	General Fund--Federal Appropriation	\$74,301,000
34	General Fund--Private/Local Appropriation	\$810,000
35	TOTAL APPROPRIATION	\$158,780,000

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

3 (1) \$153,000 of the general fund--state appropriation for fiscal
4 year 2004, \$747,000 of the general fund--state appropriation for 2005,
5 and \$899,000 of the general fund--federal appropriation are provided
6 solely for transition costs associated with the closure of Fircrest
7 school as directed by Engrossed Senate Bill No. 5971 (residential
8 habilitation centers). To minimize the disruption to the ongoing work
9 plan of the developmental disabilities program, the department shall
10 organize the Fircrest school closure and resident transition effort to
11 report to the assistant secretary of the aging and disability services
12 administration. Within the funds provided in this subsection, the
13 department shall:

14 (a) Determine appropriate ways to maximize federal reimbursement
15 during the closure of the facility;

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

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

26 (d) Provide recommendations to the appropriate committees of the
27 legislature on ways to reduce operational costs at the remaining
28 residential habilitation centers, paying particular attention to the
29 following: (i) Direct and indirect staffing levels of an residential
30 habilitation center skilled nursing facility as compared to a
31 comparable private skilled nursing facility or state-operated skilled
32 nursing facilities in other states; (ii) the level of active treatment
33 provided to clients residing in designated skilled nursing facility
34 beds; and (iii) overall staffing levels. The administration may use
35 funds from the appropriation to authorize a contract for assistance.
36 These recommendations will be included in the report provided in (e) of
37 this subsection.

1 (e) Provide a preliminary transition plan to the fiscal and policy
2 committees of the legislature by January 1, 2004. The transition plan
3 shall include recommendations on ways to continue to provide some of
4 the services offered at Fircrest school to clients being served in
5 community settings.

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

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

15 (2) \$26,123,000 of the general fund--state appropriation for fiscal
16 year 2005 and \$24,110,000 of the general fund--federal appropriation
17 are provided solely for vendor rate increases. These funds may be
18 transferred from the administration and supporting services program to
19 various other programs within the department to implement the
20 increases.

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

23	General Fund--State Appropriation (FY 2004)	\$43,882,000
24	General Fund--State Appropriation (FY 2005)	\$43,882,000
25	General Fund--Federal Appropriation	\$43,674,000
26	TOTAL APPROPRIATION	\$131,438,000

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

28	State Health Care Authority Administrative	
29	Account--State Appropriation	\$17,415,000
30	Health Services Account--State Appropriation	\$426,321,000
31	General Fund--Federal Appropriation	\$2,711,000
32	TOTAL APPROPRIATION	\$446,447,000

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

1 (1) \$6,000,000 of the health services account--state appropriation
2 is provided solely to increase the number of persons not eligible for
3 medicaid receiving dental care from nonprofit community clinics, and
4 for interpreter services to support dental and medical services for
5 persons for whom interpreters are not available from any other source.

6 (2) \$172,231,000 of the health services account--state
7 appropriation is provided solely for expenditure in calendar year 2004
8 and \$96,292,000 of the health services account--state appropriation is
9 provided solely for expenditure in calendar year 2005 to subsidize
10 enrollment for persons in the basic health plan. In order to maximize
11 the number of enrollees that the appropriation in the subsection can
12 support, the health care authority is directed to make modifications in
13 the basic health plan that will reduce the actuarial value of basic
14 health plan coverage. Modifications may include changes in enrollee
15 premium obligations, enrollee cost-sharing, benefits, and incentives to
16 access preventive services. The health care authority shall base its
17 enrollment policies during the 2003-2005 biennium on its September 6,
18 2001, administrative policy on basic health enrollment management.

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

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

35 (5)(a) In coordination with the department of social and health
36 services medical assistance administration and other interested
37 entities, the administrator will identify and design pilot projects to

1 improve health care coverage access, including review of proposals by
2 entities that have received funding through the federal health
3 resources and services administration community access program. The
4 administrator may identify pilot projects that are found feasible and
5 that will not require financial resources beyond those appropriated for
6 the basic health plan or the medical assistance administration in the
7 biennial operating budget. Pilot projects may include applying basic
8 health plan or medical assistance subsidy payments toward employer-
9 sponsored health insurance or other health insurance premium shares,
10 rather than as direct payments to managed health care systems
11 participating in the basic health plan or medical assistance program.

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

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

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

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

35 (8)(a) To maximize opportunities to decrease administrative burdens
36 for providers and plans participating in state purchased health care
37 programs, the administrator, the assistant secretary for the medical

1 assistance administration of the department of social and health
2 services, and the director of the department of labor and industries,
3 in collaboration with health carriers, health care providers, and the
4 office of the insurance commissioner shall, within available resources,
5 collectively:

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

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

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

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

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

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

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

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

33 (iv) Increase consistency with national and regional standards,
34 including: Eliminating "local" billing codes wherever possible;
35 adopting medicare's ambulatory patient classification system for
36 outpatient hospital payments; and increasing the extent to which state

1 agencies accept compliance with standards adopted by national managed
2 care accreditation organizations as meeting agency requirements for
3 managed care contractors; and

4 (v) Standardize similarities between agencies, including applying
5 codes consistently across state-purchased health care programs;
6 eliminating burdensome data collection by having state agencies collect
7 data that is available from other state agencies; coordinating audits
8 by state agencies; and standardizing definitions and interpretations of
9 services.

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

11	General Fund--State Appropriation (FY 2004)	\$2,408,000
12	General Fund--State Appropriation (FY 2005)	\$2,447,000
13	General Fund--Federal Appropriation	\$1,523,000
14	General Fund--Private/Local Appropriation	\$100,000
15	TOTAL APPROPRIATION	\$6,478,000

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

17 **APPEALS**

18	Worker and Community Right-to-Know Account--State	
19	Appropriation	\$20,000
20	Accident Account--State Appropriation	\$15,129,000
21	Medical Aid Account--State Appropriation	\$15,128,000
22	TOTAL APPROPRIATION	\$30,277,000

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

24 **COMMISSION**

25	Municipal Criminal Justice Assistance Account--	
26	Local Appropriation	\$460,000
27	Death Investigations Account--State	
28	Appropriation	\$148,000
29	Public Safety and Education Account--State	
30	Appropriation	\$17,869,000
31	TOTAL APPROPRIATION	\$18,477,000

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

1 (1) \$124,000 of the public safety and education account
2 appropriation is provided solely to allow the Washington association of
3 sheriffs and police chiefs to increase the technical and training
4 support provided to the local criminal justice agencies on the new
5 incident-based reporting system and the national incident-based
6 reporting system.

7 (2) \$136,000 of the public safety and education account
8 appropriation is provided solely to allow the Washington association of
9 prosecuting attorneys to enhance the training provided to criminal
10 justice personnel.

11 (3) \$6,000 of the public safety and education account appropriation
12 is provided solely to increase payment rates for the criminal justice
13 training commission's contracted food service provider.

14 (4) \$9,000 of the public safety and education account appropriation
15 is provided solely to increase payment rates for the criminal justice
16 training commission's contract with the Washington association of
17 sheriffs and police chiefs.

18 (5) \$65,000 of the public safety and education account
19 appropriation is provided solely for regionalized training programs for
20 school district and local law enforcement officials on school safety
21 issues.

22 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF LABOR AND**
23 **INDUSTRIES**

24	General Fund--State Appropriation (FY 2004)	\$5,940,000
25	General Fund--State Appropriation (FY 2005)	\$5,938,000
26	Public Safety and Education Account--State	
27	Appropriation	\$22,429,000
28	Public Safety and Education Account--Federal	
29	Appropriation	\$8,462,000
30	Asbestos Account--State Appropriation	\$693,000
31	Electrical License Account--State	
32	Appropriation	\$29,047,000
33	Farm Labor Revolving Account--Private/Local	
34	Appropriation	\$28,000
35	Worker and Community Right-to-Know Account--State	
36	Appropriation	\$2,548,000

1	Public Works Administration Account--State	
2	Appropriation	\$2,435,000
3	Accident Account--State Appropriation	\$189,453,000
4	Accident Account--Federal Appropriation	\$13,398,000
5	Medical Aid Account--State Appropriation	\$188,487,000
6	Medical Aid Account--Federal Appropriation	\$2,962,000
7	Plumbing Certificate Account--State	
8	Appropriation	\$1,461,000
9	Pressure Systems Safety Account--State	
10	Appropriation	\$2,815,000
11	TOTAL APPROPRIATION	\$476,096,000

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

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

25 (2) \$100,000 of the medical aid account--state appropriation is
26 provided solely to implement House Bill No. 2122 (state purchased
27 health care). If the bill is not enacted by June 30, 2003, the amount
28 provided in this subsection shall lapse.

29 (3) \$90,000 of the electrical license account--state appropriation
30 and \$206,000 of the plumbing certificate account--state appropriation
31 are provided solely to implement Engrossed Substitute Senate Bill No.
32 5713 (electrical contractors). If the bill is not enacted by June 30,
33 2003, the amounts provided in this subsection shall lapse.

34 (4) \$314,000 of the accident account--state appropriation and
35 \$56,000 of the medical aid account--state appropriation are provided
36 solely to implement Second Substitute Senate Bill No. 5890

1 (agricultural workers). If the bill is not enacted by June 30, 2003,
2 the amounts provided in this subsection shall lapse.

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

5 General Fund--State Appropriation (FY 2004) \$989,000
6 General Fund--State Appropriation (FY 2005) \$989,000
7 TOTAL APPROPRIATION \$1,978,000

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

9 (1) HEADQUARTERS

10 General Fund--State Appropriation (FY 2004) \$1,563,000
11 General Fund--State Appropriation (FY 2005) \$1,564,000
12 Charitable, Educational, Penal, and Reformatory
13 Institutions Account--State
14 Appropriation \$11,000
15 TOTAL APPROPRIATION \$3,138,000

16 (2) FIELD SERVICES

17 General Fund--State Appropriation (FY 2004) \$2,605,000
18 General Fund--State Appropriation (FY 2005) \$2,630,000
19 General Fund--Federal Appropriation \$309,000
20 General Fund--Private/Local Appropriation \$1,670,000
21 TOTAL APPROPRIATION \$7,214,000

22 (3) INSTITUTIONAL SERVICES

23 General Fund--State Appropriation (FY 2004) \$7,500,000
24 General Fund--State Appropriation (FY 2005) \$5,918,000
25 General Fund--Federal Appropriation \$27,336,000
26 General Fund--Private/Local Appropriation \$27,934,000
27 TOTAL APPROPRIATION \$68,688,000

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

29 General Fund--State Appropriation (FY 2004) \$405,000
30 General Fund--State Appropriation (FY 2005) \$252,000
31 TOTAL APPROPRIATION \$657,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: \$150,000 of the general fund--state

1 appropriation for fiscal year 2004 is provided solely for the design
2 and development of the home care provider registry mandated by
3 Initiative Measure No. 775.

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

5	General Fund--State Appropriation (FY 2004)	\$61,098,000
6	General Fund--State Appropriation (FY 2005)	\$63,290,000
7	Health Services Account--State Appropriation	\$34,293,000
8	General Fund--Federal Appropriation	\$349,154,000
9	General Fund--Private/Local Appropriation	\$90,652,000
10	Hospital Commission Account--State	
11	Appropriation	\$2,492,000
12	Health Professions Account--State	
13	Appropriation	\$40,606,000
14	Emergency Medical Services and Trauma Care Systems	
15	Trust Account--State Appropriation	\$22,053,000
16	Safe Drinking Water Account--State	
17	Appropriation	\$2,738,000
18	Drinking Water Assistance Account--Federal	
19	Appropriation	\$13,520,000
20	Waterworks Operator Certification--State	
21	Appropriation	\$637,000
22	Water Quality Account--State Appropriation	\$3,375,000
23	Accident Account--State Appropriation	\$260,000
24	Medical Aid Account--State Appropriation	\$46,000
25	State Toxics Control Account--State	
26	Appropriation	\$2,631,000
27	Medical Test Site Licensure Account--State	
28	Appropriation	\$1,720,000
29	Youth Tobacco Prevention Account--State	
30	Appropriation	\$1,806,000
31	Tobacco Prevention and Control Account--State	
32	Appropriation	\$52,516,000
33	TOTAL APPROPRIATION	\$742,887,000

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

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

7 (2) \$1,675,000 of the general fund--state fiscal year 2004
8 appropriation and \$1,676,000 of the general fund--state fiscal year
9 2005 appropriation are provided solely for the implementation of the
10 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
11 DOH-03, and DOH-04.

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

28 (4) \$21,650,000 of the health services account--state appropriation
29 is provided solely for the state's program of universal access to
30 essential childhood vaccines. The department shall utilize all
31 available federal funding before expenditure of these funds.

32 (5) \$2,984,000 of the general fund--local appropriation is provided
33 solely for development and implementation of an internet-based system
34 for preparing and retrieving death certificates as provided in
35 Substitute Senate Bill No. 5545. If Substitute Senate Bill No. 5545 is
36 not enacted by June 30, 2003, the amount provided in this subsection
37 shall lapse.

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

2 (1) ADMINISTRATION AND SUPPORT SERVICES

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

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

16 (2) CORRECTIONAL OPERATIONS

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

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

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

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

34 (c) The department of corrections shall accomplish personnel
35 reductions with the least possible impact on correctional custody

1 staff, community custody staff, and correctional industries. For the
2 purposes of this subsection, correctional custody staff means employees
3 responsible for the direct supervision of offenders.

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

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

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

26 (3) COMMUNITY SUPERVISION

27	General Fund--State Appropriation (FY 2004)	\$74,229,000
28	General Fund--State Appropriation (FY 2005)	\$74,710,000
29	Public Safety and Education	
30	Account--State Appropriation	\$15,492,000
31	TOTAL APPROPRIATION	\$164,431,000

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

34 (a) The department of corrections shall accomplish personnel
35 reductions with the least possible impact on correctional custody
36 staff, community custody staff, and correctional industries. For the

1 purposes of this subsection, correctional custody staff means employees
2 responsible for the direct supervision of offenders.

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

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

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

20 (4) CORRECTIONAL INDUSTRIES

21	General Fund--State Appropriation (FY 2004)	\$642,000
22	General Fund--State Appropriation (FY 2005)	\$642,000
23	TOTAL APPROPRIATION	\$1,284,000

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

33 (5) INTERAGENCY PAYMENTS

34	General Fund--State Appropriation (FY 2004)	\$27,951,000
35	General Fund--State Appropriation (FY 2005)	\$27,986,000
36	TOTAL APPROPRIATION	\$55,937,000

1 (c) Include a schedule that provides the time estimated to complete
2 changes to each component of the replacement project; and

3 (d) Be provided to the office of financial management, the
4 department of information services, the information services board, and
5 the staff of the fiscal committees of the senate and the house of
6 representatives no later than November 1, 2002.

7 (2) CORRECTIONAL OPERATIONS

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

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

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

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

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

31 (d) \$553,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$956,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely to increase payment rates for
34 contracted education providers, contracted chemical dependency
35 providers, and contracted work release facilities.

36 (e) During the 2001-03 biennium, when contracts are established or
37 renewed for offender pay phone and other telephone services provided to

1 inmates, the department shall select the contractor or contractors
 2 primarily based on the following factors: (i) The lowest rate charged
 3 to both the inmate and the person paying for the telephone call; and
 4 (ii) the lowest commission rates paid to the department, while
 5 providing reasonable compensation to cover the costs of the department
 6 to provide the telephone services to inmates and provide sufficient
 7 revenues for the activities funded from the institutional welfare
 8 betterment account.

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

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

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

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

31 (3) COMMUNITY SUPERVISION

32	General Fund--State Appropriation (FY 2002)	\$68,097,000
33	General Fund--State Appropriation (FY 2003)	\$77,436,000
34	General Fund--Federal Appropriation	\$870,000
35	Public Safety and Education	
36	Account--State Appropriation	\$15,493,000
37	TOTAL APPROPRIATION	\$161,896,000

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

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

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

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

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

25 (4) CORRECTIONAL INDUSTRIES

26	General Fund--State Appropriation (FY 2002)	\$631,000
27	General Fund--State Appropriation (FY 2003)	\$629,000
28	TOTAL APPROPRIATION	\$1,260,000

29 The appropriations in this subsection are subject to the following
30 conditions and limitations: \$110,000 of the general fund--state
31 appropriation for fiscal year 2002 and \$110,000 of the general fund--
32 state appropriation for fiscal year 2003 are provided solely for
33 transfer to the jail industries board. The board shall use the amounts
34 provided only for administrative expenses, equipment purchases, and
35 technical assistance associated with advising cities and counties in

1 developing, promoting, and implementing consistent, safe, and efficient
2 offender work programs.

3 (5) INTERAGENCY PAYMENTS

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

7 NEW SECTION. **Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE**
8 **BLIND**

9	General Fund--State Appropriation (FY 2004)	\$1,773,000
10	General Fund--State Appropriation (FY 2005)	\$1,773,000
11	General Fund--Federal Appropriation	\$14,334,000
12	General Fund--Private/Local Appropriation	\$80,000
13	TOTAL APPROPRIATION	\$17,960,000

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

15	General Fund--State Appropriation (FY 2004)	\$747,000
16	General Fund--State Appropriation (FY 2005)	\$750,000
17	TOTAL APPROPRIATION	\$1,497,000

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

19	General Fund--Federal Appropriation	\$267,620,000
20	General Fund--Private/Local Appropriation	\$30,217,000
21	Unemployment Compensation Administration Account--	
22	Federal Appropriation	\$185,710,000
23	Administrative Contingency Account--State	
24	Appropriation	\$14,751,000
25	Employment Service Administrative Account--State	
26	Appropriation	\$23,240,000
27	TOTAL APPROPRIATION	\$521,538,000

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

33 (1) The employment security department shall convene the
34 partnership, which shall consist of the following twelve members:

1 (a) One member from each caucus of the house of representatives,
2 each member being a member of the house of representatives commerce and
3 labor committee, appointed by the speaker of the house of
4 representatives;

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

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

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

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

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

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

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

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

30 (3) The manufacturing advisory partnership, with the assistance of
31 the employment security department, shall review policies and programs
32 related to Washington's manufacturing sector that are developed or
33 administered by public or private entities. These entities shall
34 include, but are not limited to, the Washington state competitiveness
35 council, the state economic development commission, the department of
36 community, trade, and economic development, the department of revenue,
37 state technology agencies, and the Washington manufacturing service.

1 (4) The manufacturing advisory partnership, with the assistance of
2 the employment security department, shall also study and make findings
3 and recommendations related to the following aspects of Washington's
4 manufacturing sector:

5 (a) Legislative policies and programs related to Washington's
6 manufacturing sector;

7 (b) The work force education and training needs of the
8 manufacturing sector;

9 (c) The use of manufacturing skill standards to enhance work force
10 development and human resources practices;

11 (d) The activities necessary to develop regionally strategic
12 industry clusters; and

13 (e) Other issues identified by the partnership.

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

18 (6) Legislative members of the manufacturing advisory partnership
19 shall be reimbursed for travel expenses in accordance with RCW
20 44.04.120.

(End of part)

PART III
NATURAL RESOURCES

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	

1	(Water Supply Facilities)--State	
2	Appropriation	\$597,000
3	Vehicle Tire Recycling Account--State Appropriation	\$3,000,000
4	Site Closure Account--State Appropriation	\$629,000
5	Water Quality Account--State Appropriation	\$24,304,000
6	Wood Stove Education and Enforcement Account--	
7	State Appropriation	\$356,000
8	Worker and Community Right-to-Know Account--	
9	State Appropriation	\$3,365,000
10	State Toxics Control Account--State	
11	Appropriation	\$59,932,000
12	State Toxics Control Account--Private/Local	
13	Appropriation	\$112,000
14	Local Toxics Control Account--State	
15	Appropriation	\$4,904,000
16	Water Quality Permit Account--State	
17	Appropriation	\$25,305,000
18	Underground Storage Tank Account--State	
19	Appropriation	\$2,724,000
20	Environmental Excellence Account--State	
21	Appropriation	\$504,000
22	Biosolids Permit Account--State Appropriation	\$788,000
23	Hazardous Waste Assistance Account--State	
24	Appropriation	\$4,205,000
25	Air Pollution Control Account--State	
26	Appropriation	\$1,662,000
27	Oil Spill Prevention Account--State	
28	Appropriation	\$7,783,000
29	Air Operating Permit Account--State	
30	Appropriation	\$3,709,000
31	Freshwater Aquatic Weeds Account--State	
32	Appropriation	\$2,505,000
33	Oil Spill Response Account--State	
34	Appropriation	\$7,078,000
35	Metals Mining Account--State Appropriation	\$19,000
36	Water Pollution Control Revolving Account--	
37	State Appropriation	\$382,000

1 bioaccumulative toxic (PBT) chemical strategy. The department shall
 2 conduct baseline PBT sampling and monitoring of fish tissue at twenty
 3 lakes per year and shall implement the mercury chemical action plan,
 4 which shall include, but is not limited to: The development and
 5 implementation of a memorandum of understanding with the Washington
 6 state dental association regarding amalgam handling and disposal; the
 7 adoption of a universal waste rule for mercury added products;
 8 educational outreach to the medical community about disposal of
 9 hazardous waste; and the development and implementation of a voluntary
 10 fluorescent lamp recycling program.

11 (8) \$3,000,000 of the vessel response account--state appropriation
 12 is provided solely to implement House Bill No. 2241 (Puget Sound
 13 protection). If the bill is not enacted by June 30, 2003, the amount
 14 provided in this subsection shall lapse.

15 (9) \$3,000,000 of the vehicle tire recycling account--state
 16 appropriation is provided solely to implement Engrossed Substitute
 17 House Bill No. 1705 (tire recycling). If the bill is not enacted by
 18 June 30, 2003, the amount provided in this subsection shall lapse.

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

21	General Fund--State Appropriation (FY 2004)	\$27,991,000
22	General Fund--State Appropriation (FY 2005)	\$27,977,000
23	General Fund--Federal Appropriation	\$2,672,000
24	General Fund--Private/Local Appropriation	\$63,000
25	Winter Recreation Program Account--State	
26	Appropriation	\$1,081,000
27	Off Road Vehicle Account--State Appropriation	\$192,000
28	Snowmobile Account--State Appropriation	\$4,675,000
29	Aquatic Lands Enhancement Account--State	
30	Appropriation	\$334,000
31	Public Safety and Education Account--State	
32	Appropriation	\$47,000
33	Parks Renewal and Stewardship Account--	
34	State Appropriation	\$38,437,000
35	TOTAL APPROPRIATION	\$103,469,000

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

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

6 (2) \$79,000 of the general fund--state appropriation for fiscal
7 year 2004, \$79,000 of the general fund--state appropriation for fiscal
8 year 2005, and \$8,000 of the winter recreation program account--state
9 appropriation are provided solely for a grant for the operation of the
10 Northwest avalanche center.

11 (3) \$191,000 of the aquatic lands enhancement account appropriation
12 is provided solely for the implementation of the Puget Sound work plan
13 and agency action item P+RC-02.

14 NEW SECTION. **Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR**
15 **RECREATION**

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

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

27 (1) \$16,000,000 of the general fund--federal appropriation is
28 provided solely for implementation of the forest and fish agreement
29 rules. These funds will be passed through to the department of natural
30 resources and the department of fish and wildlife.

31 (2) \$41,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$41,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the operation and maintenance
34 of the natural resources data portal.

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

2	General Fund--State Appropriation (FY 2004)	\$955,000
3	General Fund--State Appropriation (FY 2005)	\$992,000
4	TOTAL APPROPRIATION	\$1,947,000

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

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

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

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

19 (1) \$247,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$247,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the implementation of the
22 Puget Sound work plan and agency action item CC-01.

23 (2) \$68,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$71,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely to implement Engrossed Second
26 Substitute House Bill No. 1418 (drainage infrastructure). If the bill
27 is not enacted by June 30, 2003, the amounts provided in this
28 subsection shall lapse.

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

30	General Fund--State Appropriation (FY 2004)	\$42,591,000
31	General Fund--State Appropriation (FY 2005)	\$41,314,000
32	General Fund--Federal Appropriation	\$31,709,000
33	General Fund--Private/Local Appropriation	\$24,372,000
34	Off Road Vehicle Account--State	
35	Appropriation	\$341,000

1	Aquatic Lands Enhancement Account--State	
2	Appropriation	\$5,641,000
3	Public Safety and Education Account--State	
4	Appropriation	\$562,000
5	Recreational Fisheries Enhancement Account--	
6	State Appropriation	\$3,404,000
7	Warm Water Game Fish Account--State	
8	Appropriation	\$2,582,000
9	Eastern Washington Pheasant Enhancement Account--	
10	State Appropriation	\$750,000
11	Wildlife Account--State Appropriation	\$57,388,000
12	Wildlife Account--Federal Appropriation	\$38,325,000
13	Wildlife Account--Private/Local	
14	Appropriation	\$15,189,000
15	Game Special Wildlife Account--State	
16	Appropriation	\$1,955,000
17	Game Special Wildlife Account--Federal	
18	Appropriation	\$9,606,000
19	Game Special Wildlife Account--Private/Local	
20	Appropriation	\$350,000
21	Water Quality Account--State Appropriation	\$4,000
22	Environmental Excellence Account--State	
23	Appropriation	\$15,000
24	Regional Fisheries Salmonid Recovery Account--	
25	Federal Appropriation	\$1,750,000
26	Oil Spill Prevention Account--State	
27	Appropriation	\$982,000
28	Oyster Reserve Land Account--State	
29	Appropriation	\$137,000
30	TOTAL APPROPRIATION	\$278,967,000

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

33 (1) \$1,355,714 of the general fund--state appropriation for fiscal
34 year 2004, \$1,355,713 of the general fund--state appropriation for
35 fiscal year 2005, and \$402,000 of the wildlife account--state
36 appropriation are provided solely for the implementation of the Puget
37 Sound work plan and agency action items DFW-01 through DFW-06.

1 (2) \$225,000 of the general fund--state appropriation for fiscal
2 year 2004, \$225,000 of the general fund--state appropriation for fiscal
3 year 2005, and \$550,000 of the wildlife account--state appropriation
4 are provided solely for the implementation of hatchery reform
5 recommendations defined by the hatchery scientific review group.

6 (3) \$850,000 of the wildlife account--state appropriation is
7 provided solely for stewardship and maintenance needs on agency-owned
8 lands and water access sites.

9 (4) \$900,000 of the wildlife fund--state appropriation is provided
10 solely for wetland restoration activities for migratory waterfowl by
11 providing landowner incentives to create or maintain waterfowl habitat
12 and management activities.

13 (5) \$2,000,000 of the aquatic lands enhancement account
14 appropriation is provided for cooperative volunteer projects.

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

21 (7) The department shall develop and implement an activity-based
22 costing system. The system shall be operational no later than January
23 1, 2004.

24 (8) \$400,000 of the wildlife account--state appropriation is
25 provided solely to implement the department's information systems
26 strategic plan to include continued implementation of a personal
27 computer leasing plan, an upgrade of computer back-up systems, systems
28 architecture assessment, and network security analysis.

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

33 (10) \$43,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$42,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for staffing and operation of the
36 Tennant Lake interpretive center.

1 (11) \$67,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$67,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to implement Second Substitute
4 House Bill No. 1095 (small forest landowners). If the bill is not
5 enacted by June 30, 2003, the amounts provided in this subsection shall
6 lapse.

7 (12) \$238,000 of the state wildlife account--state appropriation is
8 provided solely to implement Second Substitute House Bill No. 1725
9 (catch record cards). If the bill is not enacted by June 30, 2003, the
10 amount provided in this subsection shall lapse.

11 (13) \$25,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$25,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely to implement Engrossed Second
14 Substitute House Bill No. 1338 (municipal water rights). If the bill
15 is not enacted by June 30, 2003, the amounts provided in this
16 subsection shall lapse.

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

24 (15) \$110,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$110,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for economic adjustment assistance
27 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

28 (16) Within the amounts provided in this section, sufficient
29 funding is provided to implement Engrossed Substitute Senate Bill No.
30 5375 (hydraulic project approval).

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

32	General Fund--State Appropriation (FY 2004)	\$32,329,000
33	General Fund--State Appropriation (FY 2005)	\$32,055,000
34	General Fund--Federal Appropriation	\$3,809,000
35	General Fund--Private/Local Appropriation	\$2,482,000
36	Forest Development Account--State	

1	Appropriation	\$52,154,000
2	Off Road Vehicle Account--State	
3	Appropriation	\$3,544,000
4	Surveys and Maps Account--State	
5	Appropriation	\$2,770,000
6	Aquatic Lands Enhancement Account--State	
7	Appropriation	\$6,889,000
8	Resources Management Cost Account--State	
9	Appropriation	\$62,663,000
10	Surface Mining Reclamation Account--State	
11	Appropriation	\$2,305,000
12	Disaster Response Account--State Appropriation	\$6,200,000
13	Water Quality Account--State Appropriation	\$2,497,000
14	Aquatic Land Dredged Material Disposal Site	
15	Account--State Appropriation	\$1,357,000
16	Natural Resource Conservation Areas Stewardship	
17	Account Appropriation	\$83,000
18	Air Pollution Control Account--State	
19	Appropriation	\$528,000
20	Agricultural College Trust Management Account	
21	Appropriation	\$1,876,000
22	Derelict Vessel Removal Account--State	
23	Appropriation	\$1,130,000
24	TOTAL APPROPRIATION	\$214,671,000

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

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

32 (2) \$908,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$910,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for deposit into the agricultural
35 college trust management account and are provided solely to manage
36 approximately 70,700 acres of Washington State University's
37 agricultural college trust lands.

1 (3) \$3,784,000 of the general fund--state appropriation for fiscal
2 year 2004, \$3,841,000 of the general fund--state appropriation for
3 fiscal year 2005, and \$6,200,000 of the disaster response account--
4 state appropriation are provided solely for emergency fire suppression.

5 (4) \$582,000 of the aquatic lands enhancement account appropriation
6 is provided solely for spartina control.

7 (5) Fees approved by the board of natural resources in the 2003-05
8 biennium are authorized to exceed the fiscal growth factor under RCW
9 43.135.055.

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

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

19 (8) \$1,000,000 of the aquatic lands enhancement account--state
20 appropriation is provided solely for the department to meet its
21 obligations with the U.S. environmental protection agency for the
22 clean-up of Commencement Bay.

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

31 (10) The department of natural resources shall provide a report to
32 the appropriate committees of the legislature, the office of financial
33 management, and the board of natural resources concerning the costs and
34 effectiveness of the contract harvesting program as authorized by
35 Second Substitute Senate Bill No. 5074 (contract harvesting). The
36 report shall be submitted by December 31, 2006, and shall include the
37 following information:

1 (a) Number of sales conducted through contract harvesting;
 2 (b) For each sale conducted, the (i) number of board feet sold;
 3 (ii) stumpage and pond prices; (iii) difference in revenues received
 4 compared to revenues that would have accrued through noncontract
 5 harvest sales, and the distribution of revenues to the contract
 6 harvesting revolving account, and to applicable management and trust
 7 accounts; and (iv) total cost to conduct the contract harvest, by fund
 8 and object of expenditure; and

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

10 (11) \$72,000 of the general fund--state appropriation of fiscal
 11 year 2004 and \$162,000 of the general fund--state appropriation for
 12 fiscal year 2005 are provided solely to implement Second Substitute
 13 House Bill No. 1095 (small forest landowners). If the bill is not
 14 enacted by June 30, 2003, the amounts provided in this subsection shall
 15 lapse.

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

17	General Fund--State Appropriation (FY 2004)	\$7,501,000
18	General Fund--State Appropriation (FY 2005)	\$7,360,000
19	General Fund--Federal Appropriation	\$10,082,000
20	General fund--Private/Local Appropriation	\$1,110,000
21	Aquatic Lands Enhancement Account--State	
22	Appropriation	\$1,940,000
23	Water Quality Account--State Appropriation	\$636,000
24	State Toxics Control Account--State	
25	Appropriation	\$2,584,000
26	Water Quality Permit Account--State Appropriation	\$110,000
27	TOTAL APPROPRIATION	\$31,323,000

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

30 (1) \$37,000 of the general fund--state appropriation for fiscal
 31 year 2004 and \$37,000 of the general fund--state appropriation for
 32 fiscal year 2005 are provided solely for implementation of the Puget
 33 Sound work plan and agency action item WSDA-01.

34 (2) Fees and assessments approved by the department in the 2003-05
 35 biennium are authorized to exceed the fiscal growth factor under RCW
 36 43.135.055.

1 (3) \$110,000 of the water quality permit account--state
2 appropriation and \$640,000 of the water quality account--state
3 appropriation are provided solely to implement Engrossed Substitute
4 Senate Bill No. 5889 (animal feeding operations). If the bill is not
5 enacted by June 30, 2003, the amounts provided in this subsection shall
6 lapse.

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

9 Pollution Liability Insurance Program Trust Account--
10 State Appropriation \$982,000

(End of part)

PART IV
TRANSPORTATION

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

4	General Fund--State Appropriation (FY 2004)	\$5,052,000
5	General Fund--State Appropriation (FY 2005)	\$5,084,000
6	Architects' License Account--State	
7	Appropriation	\$693,000
8	Cemetery Account--State Appropriation	\$236,000
9	Professional Engineers' Account--State	
10	Appropriation	\$3,027,000
11	Real Estate Commission Account--State Appropriation	\$7,114,000
12	Master License Account--State Appropriation	\$9,093,000
13	Uniform Commercial Code Account--State	
14	Appropriation	\$2,976,000
15	Real Estate Education Account--State	
16	Appropriation	\$276,000
17	Real Estate Appraisers Commission Account--State	
18	Appropriation	\$927,000
19	Geologist's Account--State	
20	Appropriation	\$8,000
21	Funeral Directors and Embalmers Account--State	
22	Appropriation	\$519,000
23	Washington Real Estate Research Account--State	
24	Appropriation	\$308,000
25	Data Processing Revolving Account--State	
26	Appropriation	\$29,000
27	TOTAL APPROPRIATION	\$35,342,000

28 The appropriations in this section are subject to the following
29 conditions and limitations: In accordance with RCW 43.24.086, it is
30 the policy of the state of Washington that the cost of each
31 professional, occupational, or business licensing program be fully
32 borne by the members of that profession, occupation, or business. For
33 each licensing program covered by RCW 43.24.086, the department shall
34 set fees at levels sufficient to fully cover the cost of administering

1 the licensing program, including any costs associated with policy
 2 enhancements funded in the 2003-05 fiscal biennium. Pursuant to RCW
 3 43.135.055, during the 2003-05 fiscal biennium, the department may
 4 increase fees in excess of the fiscal growth factor if the increases
 5 are necessary to fully fund the costs of the licensing programs.

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

7	General Fund--State Appropriation (FY 2004)	\$20,316,000
8	General Fund--State Appropriation (FY 2005)	\$19,166,000
9	General Fund--Federal Appropriation	\$4,234,000
10	General Fund--Private/Local Appropriation	\$378,000
11	Death Investigations Account--State	
12	Appropriation	\$4,477,000
13	Public Safety and Education Account--State	
14	Appropriation	\$19,630,000
15	Enhanced 911 Account--State Appropriation	\$612,000
16	County Criminal Justice Assistance Account--State	
17	Appropriation	\$3,190,000
18	Municipal Criminal Justice Assistance Account--	
19	State Appropriation	\$1,695,000
20	Fire Service Trust Account--State	
21	Appropriation	\$125,000
22	Fire Service Training Account--State	
23	Appropriation	\$7,326,000
24	State Toxics Control Account--State	
25	Appropriation	\$474,000
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation	\$284,000
28	Fingerprint Identification Account--State	
29	Appropriation	\$4,397,000
30	TOTAL APPROPRIATION	\$86,304,000

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

33 (1) \$750,000 of the fire services training account--state
 34 appropriation is provided solely for the implementation of Engrossed
 35 House Bill No. 1109 (fire fighting training). If the bill is not

1 enacted by June 30, 2003, the amount provided in this subsection shall
2 lapse.

3 (2) \$200,000 of the fire services account--state appropriation is
4 provided solely for two FTE's in the office of state fire marshal to
5 exclusively review K-12 construction documents for fire and life safety
6 in accordance with the state building code. It is the intent of this
7 appropriation to provide these services only to those districts that
8 are located in counties without qualified review capabilities.

(End of part)

PART V
EDUCATION

NEW SECTION. **Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	\$11,800,000
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.

1 (ii) The governor and the superintendent of public instruction, in
2 consultation with the task force, shall create consistent early
3 learning goals for children younger than school age that are aligned
4 with K-12 standards.

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

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

9 (B) Four members appointed by the governor;

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

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

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

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

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

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

1 committees of the legislature on the extent to which school districts
2 have adopted a food and nutrition policy.

3 (2) STATEWIDE PROGRAMS

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

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

11 (a) HEALTH AND SAFETY

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

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

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

33 (B) The superintendent of public instruction shall participate in
34 a school safety center advisory committee that includes representatives
35 of educators, classified staff, principals, superintendents,
36 administrators, the American society for industrial security, the state
37 criminal justice training commission, and others deemed appropriate and

1 approved by the school safety center advisory committee. Members of
2 the committee shall be chosen by the groups they represent. In
3 addition, the Washington association of sheriffs and police chiefs
4 shall appoint representatives of law enforcement to participate on the
5 school safety center advisory committee. The advisory committee shall
6 select a chair.

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

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

16 (A) The criminal justice training commission with assistance of the
17 school safety center advisory committee established in section
18 2(b)(iii) of this section shall develop manuals and curricula for a
19 training program for all school safety personnel.

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

25 (iv) A maximum of \$194,000 of the general fund--state appropriation
26 for fiscal year 2004, a maximum of \$194,000 of the general fund--state
27 appropriation for fiscal year 2005, and \$400,000 of the general fund--
28 federal appropriation transferred from the department of health are
29 provided for a program that provides grants to school districts for
30 media campaigns promoting sexual abstinence and addressing the
31 importance of delaying sexual activity, pregnancy, and childbearing
32 until individuals are ready to nurture and support their children.
33 Grants to the school districts shall be for projects that are
34 substantially designed and produced by students. The grants shall
35 require a local private sector match equal to one-half of the state
36 grant, which may include in-kind contribution of technical or other

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

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

7 (b) TECHNOLOGY

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

16 (c) GRANTS AND ALLOCATIONS

17 (i) \$306,000 of the fiscal year 2004 appropriation and \$689,000 of
18 the fiscal year 2005 appropriation are provided solely for the special
19 services pilot projects provided by Second Substitute House Bill No.
20 2012 (special services pilot program). The office of the
21 superintendent of public instruction shall allocate these funds to the
22 district or districts participating in the pilot program according to
23 the provisions of section 2 subsection (4) of Second Substitute House
24 Bill No. 2012. If Second Substitute House Bill No. 2012 is not enacted
25 by June 30, 2003, these amounts shall lapse.

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

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

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

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

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

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

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

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

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

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

34	General Fund--State Appropriation (FY 2004)	\$3,968,730,000
35	General Fund--State Appropriation (FY 2005)	\$3,975,501,000
36	TOTAL APPROPRIATION	\$7,944,231,000

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

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

6 (2) Allocations for certificated staff salaries for the 2003-04 and
7 2004-05 school years shall be determined using formula-generated staff
8 units calculated pursuant to this subsection. Staff allocations for
9 small school enrollments in (d) through (f) of this subsection shall be
10 reduced for vocational full-time equivalent enrollments. Staff
11 allocations for small school enrollments in grades K-6 shall be the
12 greater of that generated under (a) of this subsection, or under (d)
13 and (e) of this subsection. Certificated staffing allocations shall be
14 as follows:

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

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

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

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

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

30 (v) For class size reduction and expanded learning opportunities
31 under the better schools program, an additional 0.8 certificated
32 instructional staff units for the 2003-04 school year for grades K-4
33 per thousand full-time equivalent students. Funds allocated for these
34 additional certificated units shall not be considered as basic
35 education funding. The allocation may be used for reducing class sizes
36 in grades K-4 or to provide additional classroom contact hours for
37 kindergarten, before-and-after-school programs, weekend school

1 programs, summer school programs, and intercession opportunities to
2 assist elementary school students in meeting the essential academic
3 learning requirements and student assessment performance standards.
4 For purposes of this subsection, additional classroom contact hours
5 provided by teachers beyond the normal school day under a supplemental
6 contract shall be converted to a certificated full-time equivalent by
7 dividing the classroom contact hours by 900.

8 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
9 excess of the amount required to maintain the statutory minimum ratio
10 established under RCW 28A.150.260(2)(b) shall be allocated only if the
11 district documents an actual ratio in grades K-4 equal to or greater
12 than 54.0 certificated instructional staff per thousand full-time
13 equivalent students in the 2003-04 school year and 53.2 certificated
14 instructional staff per thousand full-time equivalent students in the
15 2004-05 school year. For any school district documenting a lower
16 certificated instructional staff ratio, the allocation shall be based
17 on the district's actual grades K-4 certificated instructional staff
18 ratio achieved in that school year, or the statutory minimum ratio
19 established under RCW 28A.150.260(2)(b), if greater;

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

33 (C) Any district maintaining a ratio in grades K-4 equal to or
34 greater than 54.0 certificated instructional staff per thousand full-
35 time equivalent students in the 2003-04 school year, and a ratio equal
36 to or greater than 53.2 certificated instructional staff per thousand
37 full-time equivalent students in the 2004-05 school year, may use

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

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

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

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

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

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

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

34 (d) For districts enrolling not more than twenty-five average
35 annual full-time equivalent students in grades K-8, and for small
36 school plants within any school district which have been judged to be

1 remote and necessary by the state board of education and enroll not
2 more than twenty-five average annual full-time equivalent students in
3 grades K-8:

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

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

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

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

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

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

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

35 (ii) For all other small high schools under this subsection, nine
36 certificated instructional staff units and one-half of a certificated
37 administrative staff unit for the first sixty average annual full time

1 equivalent students, and additional staff units based on a ratio of
2 0.8732 certificated instructional staff units and 0.1268 certificated
3 administrative staff units per each additional forty-three and one-half
4 average annual full time equivalent students.

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

9 (g) For each nonhigh school district having an enrollment of more
10 than seventy annual average full-time equivalent students and less than
11 one hundred eighty students, operating a grades K-8 program or a grades
12 1-8 program, an additional one-half of a certificated instructional
13 staff unit; and

14 (h) For each nonhigh school district having an enrollment of more
15 than fifty annual average full-time equivalent students and less than
16 one hundred eighty students, operating a grades K-6 program or a grades
17 1-6 program, an additional one-half of a certificated instructional
18 staff unit.

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

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

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

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

33 (4) Fringe benefit allocations shall be calculated at a rate of
34 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05
35 school year for certificated salary allocations provided under
36 subsection (2) of this section, and a rate of 12.24 percent in the

1 2003-04 school year and 12.24 percent in the 2004-05 school year for
2 classified salary allocations provided under subsection (3) of this
3 section.

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

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

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

15 (6)(a) For nonemployee-related costs associated with each
16 certificated staff unit allocated under subsection (2)(a), (b), and (d)
17 through (h) of this section, there shall be provided a maximum of
18 \$8,785 per certificated staff unit in the 2003-04 school year and a
19 maximum of \$8,952 per certificated staff unit in the 2004-05 school
20 year.

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

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

31 (7) Allocations for substitute costs for classroom teachers shall
32 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
33 2004-05 school years per allocated classroom teachers exclusive of
34 salary increase amounts provided in section 504 of this act. Solely
35 for the purposes of this subsection, allocated classroom teachers shall
36 be equal to the number of certificated instructional staff units
37 allocated under subsection (2) of this section, multiplied by the ratio

1 between the number of actual basic education certificated teachers and
2 the number of actual basic education certificated instructional staff
3 reported statewide for the prior school year.

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

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

16 (a) For fire protection for school districts located in a fire
17 protection district as now or hereafter established pursuant to chapter
18 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
19 and a maximum of \$504,000 may be expended in fiscal year 2005;

20 (b) For summer vocational programs at skills centers, a maximum of
21 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
22 \$2,035,000 for the 2005 fiscal year; and

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

25 (10) For purposes of RCW 84.52.0531, the increase per full-time
26 equivalent student is 3.4 percent from the 2002-03 school year to the
27 2003-04 school year and 2.5 percent from the 2003-04 school year to the
28 2004-05 school year.

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

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

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

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

13 (a) Salary allocations for certificated instructional staff units
14 shall be determined for each district by multiplying the district's
15 certificated instructional total base salary shown on LEAP Document 12E
16 for the appropriate months, by the district's average staff mix factor
17 for certificated instructional staff in that school year, computed
18 using LEAP Document 1S; and

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

23 (2) For the purposes of this section:

24 (a) "LEAP Document 1S" means the computerized tabulation
25 establishing staff mix factors for certificated instructional staff
26 according to education and years of experience, as developed by the
27 legislative evaluation and accountability program committee on March
28 25, 1999, at 16:55 hours; and

29 (b) "LEAP Document 12E" means the computerized tabulation of 2003-
30 04 and 2004-05 school year salary allocations for the appropriate
31 months for certificated administrative staff and classified staff and
32 derived and total base salaries for certificated instructional staff as
33 developed by the legislative evaluation and accountability program
34 committee on April 14, 2003, at 04:09 hours.

35 (3) Incremental fringe benefit factors shall be applied to salary
36 adjustments at a rate of 9.04 percent for school year 2003-04 and 9.04

1 percent for school year 2004-05 for certificated staff and for
 2 classified staff 8.74 percent for school year 2003-04 and 8.74 percent
 3 for the 2004-05 school year.

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

7 K-12 Salary Allocation Schedule For Certificated Instructional Staff

8 From September 1, 2003 through December 31, 2003

9	Years of										MA+90
10	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD	
11											
12	0	28,300	29,064	29,856	30,649	33,196	34,836	33,929	36,476	38,118	
13	1	28,680	29,455	30,257	31,086	33,659	35,291	34,306	36,879	38,510	
14	2	29,327	30,117	30,936	31,837	34,428	36,093	35,025	37,616	39,280	
15	3	30,293	31,107	31,950	32,899	35,536	37,274	36,089	38,725	40,464	
16	4	30,975	31,833	32,690	33,681	36,360	38,129	36,840	39,519	41,288	
17	5	31,682	32,553	33,427	34,483	37,179	39,001	37,610	40,307	42,129	
18	6	32,091	32,943	33,847	34,956	37,639	39,470	38,023	40,706	42,537	
19	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836	
20	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172	
21	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548	
22	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960	
23	11				41,243	44,196	46,344	44,309	47,263	49,410	
24	12				42,545	45,642	47,854	45,707	48,708	50,921	
25	13					47,123	49,401	47,154	50,189	52,467	
26	14					48,611	51,006	48,644	51,775	54,073	
27	15					49,876	52,333	49,908	53,121	55,479	
28	16 or more					50,873	53,379	50,906	54,183	56,588	

29 K-12 Salary Allocation Schedule For Certificated Instructional Staff

30 From January 1, 2004 through December 31, 2004

31	Years of										MA+90
32	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD	
33											

1	0	28,866	29,645	30,453	31,262	33,860	35,533	34,608	37,206	38,880
2	1	29,254	30,044	30,862	31,708	34,332	35,996	34,993	37,616	39,281
3	2	29,913	30,720	31,554	32,473	35,116	36,815	35,726	38,368	40,066
4	3	30,898	31,730	32,589	33,557	36,247	38,019	36,811	39,499	41,273
5	4	31,594	32,470	33,343	34,354	37,087	38,891	37,576	40,309	42,113
6	5	32,316	33,205	34,096	35,172	37,923	39,781	38,363	41,113	42,972
7	6	32,733	33,602	34,523	35,656	38,392	40,260	38,783	41,520	43,388
8	7	33,802	34,692	35,636	36,841	39,645	41,585	39,968	42,773	44,713
9	8	34,886	35,825	36,791	38,095	40,938	42,948	41,223	44,066	46,076
10	9		36,998	38,011	39,363	42,272	44,351	42,490	45,400	47,479
11	10			39,247	40,696	43,644	45,792	43,824	46,772	48,919
12	11				42,068	45,080	47,270	45,195	48,208	50,398
13	12				43,396	46,555	48,811	46,621	49,682	51,939
14	13					48,065	50,389	48,097	51,193	53,517
15	14					49,584	52,026	49,617	52,810	55,154
16	15					50,873	53,379	50,906	54,183	56,588
17	16 or more					51,891	54,446	51,924	55,267	57,720

18

19 K-12 Salary Allocation Schedule For Certificated Instructional Staff

20 From January 1, 2005 through August 31, 2005

21	Years of										MA+90
22	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD	
23											
24	0	29,414	30,208	31,031	31,855	34,502	36,208	35,265	37,912	39,618	
25	1	29,809	30,614	31,448	32,310	34,984	36,680	35,657	38,330	40,026	
26	2	30,481	31,303	32,153	33,090	35,783	37,513	36,404	39,097	40,827	
27	3	31,485	32,332	33,208	34,194	36,935	38,741	37,510	40,249	42,057	
28	4	32,194	33,086	33,976	35,006	37,791	39,630	38,290	41,074	42,913	
29	5	32,930	33,835	34,743	35,840	38,643	40,537	39,091	41,894	43,787	
30	6	33,355	34,240	35,179	36,332	39,121	41,024	39,520	42,308	44,211	
31	7	34,443	35,350	36,312	37,540	40,398	42,374	40,727	43,585	45,561	
32	8	35,548	36,505	37,489	38,818	41,715	43,763	42,005	44,903	46,951	
33	9		37,700	38,733	40,110	43,075	45,193	43,296	46,262	48,380	
34	10			39,992	41,468	44,472	46,661	44,656	47,660	49,848	

1	11	42,866	45,936	48,168	46,053	49,123	51,355
2	12	44,220	47,438	49,738	47,507	50,626	52,925
3	13		48,978	51,345	49,010	52,165	54,533
4	14		50,525	53,014	50,559	53,813	56,201
5	15		51,839	54,393	51,872	55,212	57,663
6	16 or more		52,876	55,480	52,910	56,316	58,816

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

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

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

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

17 (5) For the purposes of this section:

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

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

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

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

23 (e) "Credits" means college quarter hour credits and equivalent in-
24 service credits computed in accordance with RCW 28A.415.020 and
25 28A.415.023.

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

31 (a) The employee has a masters degree; or

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

34 (7) The certificated instructional staff base salary specified for
35 each district in LEAP Document 12E and the salary schedules in
36 subsection (4)(a) of this section include two learning improvement
37 days. A school district is eligible for the learning improvement day

1 funds only if the learning improvement days have been added to the 180-
2 day contract year. If fewer days are added, the additional learning
3 improvement allocation shall be adjusted accordingly. The additional
4 days shall be for activities related to improving student learning
5 consistent with education reform implementation, and shall not be
6 considered part of basic education. The length of a learning
7 improvement day shall not be less than the length of a full day under
8 the base contract. The superintendent of public instruction shall
9 ensure that school districts adhere to the intent and purposes of this
10 subsection.

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

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

15	General Fund--State Appropriation (FY 2004)	\$66,366,000
16	General Fund--State Appropriation (FY 2005)	\$217,328,000
17	General Fund--Federal Appropriation	\$309,000
18	TOTAL APPROPRIATION	\$284,003,000

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

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

29 (a) The appropriations in this section include the increased
30 portion of salaries and incremental fringe benefits for all relevant
31 state-funded school programs in part V of this act. Salary adjustments
32 for state employees in the office of superintendent of public
33 instruction and the education reform program are provided in part VII
34 of this act. Increases for general apportionment (basic education) are
35 based on the salary allocation schedules and methodology in section 502
36 of this act. Increases for special education result from increases in

1 each district's basic education allocation per student. Increases for
 2 educational service districts and institutional education programs are
 3 determined by the superintendent of public instruction using the
 4 methodology for general apportionment salaries and benefits in section
 5 502 of this act.

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

	School Year		
	2003-04	2004-05	
9			
10			
11	Pupil Transportation (per weighted pupil mile)	\$0.45	\$0.88
12	Highly Capable (per formula student)	\$4.83	\$9.52
13	Transitional Bilingual Education (per eligible bilingual student)	\$12.95	\$25.49
14	Learning Assistance (per entitlement unit)	\$6.43	\$12.67
15	Substitute Teacher (allocation per teacher, section 502(7))	\$10.62	\$20.91

16 (2) \$143,336,000 is provided for adjustments to insurance benefit
 17 allocations. The maintenance rate for insurance benefit allocations is
 18 \$457.07 per month for the 2003-04 and 2004-05 school years. The
 19 appropriations in this section provide for a rate increase to \$496.69
 20 per month for the 2003-04 school year and \$584.69 per month for the
 21 2004-05 school year at the following rates:

	School Year		
	2003-04	2004-05	
22			
23			
24	Pupil Transportation (per weighted pupil mile)	\$0.36	\$1.16
25	Highly Capable (per formula student)	\$2.44	\$7.86
26	Transitional Bilingual Education (per eligible bilingual student)	\$6.41	\$20.66
27	Learning Assistance (per entitlement unit)	\$5.04	\$16.24

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

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

32 General Fund--State Appropriation (FY 2004) \$209,708,000

1 General Fund--State Appropriation (FY 2005) \$212,893,000
2 TOTAL APPROPRIATION \$422,601,000

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

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

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

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

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

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

35 General Fund--State Appropriation (FY 2004) \$3,100,000
36 General Fund--State Appropriation (FY 2005) \$3,100,000

1 General Fund--Federal Appropriation \$272,069,000
 2 TOTAL APPROPRIATION \$278,269,000

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

5 (1) \$3,000,000 of the general fund--state appropriation for fiscal
 6 year 2004 and \$3,000,000 of the general fund--state appropriation for
 7 fiscal year 2005 are provided for state matching money for federal
 8 child nutrition programs.

9 (2) \$100,000 of the general fund--state appropriation for fiscal
 10 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
 11 provided for summer food programs for children in low-income areas.

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

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

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

20 (1) Funding for special education programs is provided on an excess
 21 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
 22 that special education students as a class receive their full share of
 23 the general apportionment allocation accruing through sections 502 and
 24 504 of this act. To the extent a school district cannot provide an
 25 appropriate education for special education students under chapter
 26 28A.155 RCW through the general apportionment allocation, it shall
 27 provide services through the special education excess cost allocation
 28 funded in this section.

29 (2)(a) The superintendent of public instruction shall use the
 30 excess cost methodology developed and implemented for the 2001-02
 31 school year using the S-275 personnel reporting system and all related
 32 accounting requirements to ensure that:

- 33 (i) Special education students are basic education students first;
- 34 (ii) As a class, special education students are entitled to the
- 35 full basic education allocation; and

1 (iii) Special education students are basic education students for
2 the entire school day.

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

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

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

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

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

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

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

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

34 (a) "Annual average full-time equivalent basic education
35 enrollment" means the resident enrollment including students enrolled
36 through choice (RCW 28A.225.225) and students from nonhigh districts

1 (RCW 28A.225.210) and excluding students residing in another district
2 enrolled as part of an interdistrict cooperative program (RCW
3 28A.225.250).

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

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

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

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

31 (a) The committee shall consider unmet needs for districts that can
32 convincingly demonstrate that all legitimate expenditures for special
33 education exceed all available revenues from state funding formulas.
34 In the determination of need, the committee shall also consider
35 additional available revenues from federal and local sources.
36 Differences in program costs attributable to district philosophy,

1 service delivery choice, or accounting practices are not a legitimate
2 basis for safety net awards.

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

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

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

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

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

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

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

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

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

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

34 (12) \$1,000,000 of the general fund--federal appropriation is
35 provided for projects to provide special education students with
36 appropriate job and independent living skills, including work

1 experience where possible, to facilitate their successful transition
2 out of the public school system. The funds provided by this subsection
3 shall be from federal discretionary grants.

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

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

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

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

24 Public Safety and Education Account

25 Appropriation \$4,456,000

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

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

30 (2) If House Bill No. 1796 is enacted by June 30, 2003, districts
31 shall receive the following allocations: The maximum allocation to
32 provide tuition assistance for students eligible for free and reduced
33 price lunch who complete the program shall be \$169.78 per eligible
34 student in the 2003-04 school year and \$182.14 per eligible student in
35 the 2004-05 school year.

1 NEW SECTION. **Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC**
2 **INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS**

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

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

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

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

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

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

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

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

31	General Fund--State Appropriation (FY 2004)	\$18,596,000
32	General Fund--State Appropriation (FY 2005)	\$19,092,000
33	TOTAL APPROPRIATION	\$37,688,000

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

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

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

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

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

18 (5) \$279,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$286,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely to maintain at least one
21 certificated instructional staff and related support services at an
22 institution whenever the K-12 enrollment is not sufficient to support
23 one full-time equivalent certificated instructional staff to furnish
24 the educational program. The following types of institutions are
25 included: Residential programs under the department of social and
26 health services for developmentally disabled juveniles, programs for
27 juveniles under the department of corrections, and programs for
28 juveniles under the juvenile rehabilitation administration.

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

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

33	General Fund--State Appropriation (FY 2004)	\$6,597,000
34	General Fund--State Appropriation (FY 2005)	\$6,614,000
35	TOTAL APPROPRIATION	\$13,211,000

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

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

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

13 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
14 the fiscal year 2005 appropriation are provided for the centrum program
15 at Fort Worden state park.

16 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
17 the fiscal year 2005 appropriation are provided for the Washington
18 destination imagination network and future problem-solving programs.

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

22 General Fund--Federal Appropriation \$46,198,000

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

25 General Fund--State Appropriation (FY 2004) \$38,083,000

26 General Fund--State Appropriation (FY 2005) \$35,979,000

27 General Fund--Federal Appropriation \$128,402,000

28 TOTAL APPROPRIATION \$202,464,000

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

31 (1) \$310,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$310,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the academic achievement and
34 accountability commission.

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

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

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

22 (3) \$548,000 of the fiscal year 2004 general fund--state
23 appropriation and \$548,000 of the fiscal year 2005 general fund--state
24 appropriation are provided solely for training of paraprofessional
25 classroom assistants and certificated staff who work with classroom
26 assistants as provided in RCW 28A.415.310.

27 (4) \$2,348,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$2,348,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for mentor teacher assistance,
30 including state support activities, under RCW 28A.415.250 and
31 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
32 this subsection may be used each fiscal year to operate a mentor
33 academy to help districts provide effective training for peer mentors.
34 Funds for the teacher assistance program shall be allocated to school
35 districts based on the number of first year beginning teachers.

36 (a) A teacher assistance program is a program that provides to a

1 first year beginning teacher peer mentor services that include but are
2 not limited to:

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

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

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

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

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

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

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

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

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

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

9 (5) \$1,959,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,959,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for improving technology
12 infrastructure, monitoring and reporting on school district technology
13 development, promoting standards for school district technology,
14 promoting statewide coordination and planning for technology
15 development, and providing regional educational technology support
16 centers, including state support activities, under chapter 28A.650 RCW.
17 The superintendent of public instruction shall coordinate a process to
18 facilitate the evaluation and provision of online curriculum courses to
19 school districts which includes the following: Creation of a general
20 listing of the types of available online curriculum courses; a survey
21 conducted by each regional educational technology support center of
22 school districts in its region regarding the types of online curriculum
23 courses desired by school districts; a process to evaluate and
24 recommend to school districts the best online courses in terms of
25 curriculum, student performance, and cost; and assistance to school
26 districts in procuring and providing the courses to students.

27 (6) \$3,594,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$3,594,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for grants to school districts to
30 provide a continuum of care for children and families to help children
31 become ready to learn. Grant proposals from school districts shall
32 contain local plans designed collaboratively with community service
33 providers. If a continuum of care program exists in the area in which
34 the school district is located, the local plan shall provide for
35 coordination with existing programs to the greatest extent possible.
36 Grant funds shall be allocated pursuant to RCW 70.190.040.

1 (7) \$2,500,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$2,500,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the meals for kids program
4 under RCW 28A.235.145 through 28A.235.155.

5 (8) \$705,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$705,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the leadership internship
8 program for superintendents, principals, and program administrators.

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

19 (10) \$3,713,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$3,713,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the Washington reading corps
22 subject to the following conditions and limitations:

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

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

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

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

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

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

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

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

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

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

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

20 (g) Grants provided under this section may be used by schools and
21 school districts for expenditures from September 2003 through August
22 31, 2005.

23 (11) \$1,564,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$2,497,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for salary bonuses for teachers
26 who attain certification by the national board for professional
27 teaching standards, subject to the following conditions and
28 limitations:

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

33 (b) The annual bonus shall be paid in a lump sum amount and shall
34 not be included in the definition of "earnable compensation" under RCW
35 41.32.010(10).

36 (12) \$313,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$313,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for a principal support program.
2 The office of the superintendent of public instruction may contract
3 with an independent organization to administer the program. The
4 program shall include: (a) Development of an individualized
5 professional growth plan for a new principal or principal candidate;
6 and (b) participation of a mentor principal who works over a period of
7 between one and three years with the new principal or principal
8 candidate to help him or her build the skills identified as critical to
9 the success of the professional growth plan.

10 (13) \$70,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$70,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for the second grade reading test.
13 The funds shall be expended for assessment training for new second
14 grade teachers and replacement of assessment materials.

15 (14) \$266,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$266,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided for the superintendent to assist schools
18 in implementing high academic standards, aligning curriculum with these
19 standards, and training teachers to use assessments to improve student
20 learning. Funds may also be used to increase community and parental
21 awareness of education reform.

22 (15) \$126,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$126,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided for the development and posting of web-
25 based instructional tools, assessment data, and other information that
26 assists schools and teachers implementing higher academic standards.

27 (16) \$3,046,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$3,046,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely to the office of the
30 superintendent of public instruction for focused assistance. The
31 office of the superintendent of public instruction shall conduct
32 educational audits of low-performing schools and enter into performance
33 agreements between school districts and the office to implement the
34 recommendations of the audit and the community. Each educational audit
35 shall include recommendations for best practices and ways to address
36 identified needs and shall be presented to the community in a public

1 meeting to seek input on ways to implement the audit and its
2 recommendations.

3 (17) \$87,901,000 of the general fund--federal appropriation is
4 provided for preparing, training, and recruiting high quality teachers
5 and principals under Title II of the no child left behind act.

6 (18) \$25,046,000 of the general fund--federal appropriation is
7 provided for the reading first program under Title I of the no child
8 left behind act.

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

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

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

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

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

24 (3) The superintendent may withhold up to \$700,000 in school year
25 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
26 eligible pupil rates in subsection (2) of this section accordingly, for
27 the central provision of assessments as provided in RCW 28A.180.090 (1)
28 and (2).

29 (4) \$70,000 of the amounts appropriated in this section are
30 provided solely to develop a system for the tracking of current and
31 former transitional bilingual program students.

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

1 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
2 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

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

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

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

12 (b) Funding for school district learning assistance programs shall
13 be allocated at maximum rates of \$432.14 per funded unit for the 2003-
14 04 school year and \$433.01 per funded unit for the 2004-05 school year
15 exclusive of salary and benefit adjustments provided under section 504
16 of this act.

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

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

24 (i) The district's full-time equivalent enrollment in grades K-6,
25 multiplied by the 5-year average 4th grade lowest quartile test results
26 as adjusted for funding purposes in the school years prior to 1999-
27 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
28 shall be phased into the 5-year average on a 1-year lag;

29 (ii) The district's full-time equivalent enrollment in grades 7-9,
30 multiplied by the 5-year average 8th grade lowest quartile test results
31 as adjusted for funding purposes in the school years prior to 1999-
32 2000, multiplied by 0.82. As the 6th grade test becomes available, it
33 shall be phased into the 5-year average for these grades on a 1-year
34 lag;

35 (iii) The district's full-time equivalent enrollment in grades 10-
36 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,
2 it shall be phased into the 5-year average for these grades on a 1-year
3 lag;

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

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

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

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

27 Student Achievement Fund--State
28 Appropriation (FY 2004) \$203,123,000
29 Student Achievement Fund--State
30 Appropriation (FY 2005) \$317,803,000
31 TOTAL APPROPRIATION \$520,926,000

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

35 (a) Funding for school district student achievement programs shall
36 be allocated at a maximum rate of \$211.67 per FTE student for the 2003-

1 04 school year and \$316.00 per FTE student for the 2004-05 school year.
2 For the purposes of this section and in accordance with RCW 84.52.068,
3 FTE student refers to the annual average full-time equivalent
4 enrollment of the school district in grades kindergarten through twelve
5 for the prior school year.

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

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

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

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

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

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

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

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

36 (2) \$14,430,000 of the fiscal year 2005 appropriation shall be

1 allocated for class size reduction and expanded learning opportunities
2 as follows:

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

18 (b) Funds provided under this subsection (2) shall be allocated
19 only if the district documents an actual ratio in grades K-4 equal to
20 or greater than 54.0 certificated instructional staff per thousand
21 full-time students.

22 (c) Salary calculations, nonemployee related costs, and substitute
23 teacher allocations shall be calculated in the same manner as provided
24 under section 502 of this act. The allocation includes salary and
25 benefit increases equivalent to those provided under section 503 of
26 this act.

27 (d) Funds provided under this subsection (2) shall be apportioned
28 according to the monthly schedule established in RCW 28A.510.250.

29 NEW SECTION. **Sec. 518. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
30 **ADJUSTMENTS.** State general fund appropriations provided to the
31 superintendent of public instruction for state entitlement programs in
32 the public schools in this part V of this act may be expended as needed
33 by the superintendent for adjustments to apportionment for prior fiscal
34 periods. Recoveries of state general fund moneys from school districts
35 and educational service districts for a prior fiscal period shall be
36 made as reductions in apportionment payments for the current fiscal

1 period and shall be shown as prior year adjustments on apportionment
2 reports for the current period. Such recoveries shall not be treated
3 as revenues to the state, but as a reduction in the amount expended
4 against the appropriation for the current fiscal period.

5 NEW SECTION. **Sec. 519. FOR THE STATE BOARD OF EDUCATION**

6 Education Savings Account--State

7 Appropriation \$27,000,000

8 Education Construction Account--State

9 Appropriation \$51,350,000

10 TOTAL APPROPRIATION \$78,350,000

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

13 (1) \$13,500,000 in fiscal year 2004 and \$13,500,000 in fiscal year
14 2005 of the education savings account appropriation shall be deposited
15 in the common school construction account.

16 (2) \$22,925,000 in fiscal year 2004 and \$28,425,000 in fiscal year
17 2005 of the education construction account appropriation shall be
18 deposited in the common school construction account.

(End of part)

PART VI
HIGHER EDUCATION

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

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

8 (2)(a) The salary increases provided or referenced in this
9 subsection shall be the only allowable salary increases provided at
10 institutions of higher education, excluding increases associated with
11 normally occurring promotions and increases related to faculty and
12 professional staff retention, and excluding increases associated with
13 employees under the jurisdiction of chapter 41.56 RCW pursuant to the
14 provisions of RCW 28B.16.015 and 28B.50.874(1).

15 (b) Each institution of higher education shall provide to each
16 classified staff employee as defined by the office of financial
17 management, except for classified staff at the technical colleges, a
18 salary increase of 2.0 percent on September 1, 2004. The technical
19 colleges shall provide to classified employees under chapter 41.56 RCW
20 an average salary increase of 2.0 percent on January 1, 2004, and 1.9
21 percent on January 1, 2005.

22 (c) Each institution of higher education, except for the community
23 and technical colleges, shall provide to state-funded instructional and
24 research faculty, exempt professional staff, academic administrators,
25 academic librarians, counselors, teaching and research assistants as
26 classified by the office of financial management, and all other state-
27 funded nonclassified staff, including those employees under RCW
28 28B.16.015, an average salary increase of 2.0 percent on September 1,
29 2004.

30 (d) The community and technical colleges shall provide to state-
31 funded academic employees, as defined in RCW 28B.52.020 pursuant to the
32 provisions of Initiative Measure No. 732, an average salary increase of
33 2.0 percent on January 1, 2004, and 1.9 percent on January 1, 2005.

1 (e) The community and technical colleges shall provide to state-
2 funded exempt professional staff and academic administrators a salary
3 increase of 2.0 percent on September 1, 2004.

4 (f) For the salary increases identified in (c), (d), and (e) of
5 this subsection, each institution may provide the same average
6 increases to similar positions that are not state-funded.

7 (g) For employees under the jurisdiction of chapter 41.56 RCW
8 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1),
9 distribution of the salary increases will be in accordance with the
10 applicable collective bargaining agreement. However, an increase shall
11 not be provided to any classified employee whose salary is above the
12 approved salary range maximum for the class to which the employee's
13 position is allocated.

14 (h) Each institution of higher education receiving appropriations
15 for salary increases under sections 604 through 609 of this act may
16 provide additional salary increases from other sources to instructional
17 and research faculty, exempt professional staff, academic
18 administrators, academic librarians, counselors, teaching and research
19 assistants, as classified by the office of financial management, and
20 all other nonclassified staff, but not including employees under RCW
21 28B.16.015. Any additional salary increase granted under the authority
22 of this subsection (2)(h) shall not be included in an institution's
23 salary base for future state funding. It is the intent of the
24 legislature that general fund--state support for an institution shall
25 not increase during the current or any future biennium as a result of
26 any salary increases authorized under this subsection (2)(h).

27 (i) The legislature, the office of financial management, and other
28 state agencies need consistent and accurate personnel data from
29 institutions of higher education for policy planning purposes.
30 Institutions of higher education shall report personnel data to the
31 department of personnel for inclusion in the department's data
32 warehouse. Uniform reporting procedures shall be established by the
33 department of personnel for use by the reporting institutions,
34 including provisions for common job classifications and common
35 definitions of full-time equivalent staff. Annual contract amounts,
36 number of contract months, and funding sources shall be consistently
37 reported for employees under contract.

1 (j) Specific salary increases authorized in sections 603 through
2 609 of this act are in addition to any salary increase provided in this
3 subsection.

4 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
5 full-time students at the state's institutions of higher education for
6 the 2003-04 and 2004-05 academic years, other than the summer term, may
7 be adjusted by the governing boards of the state universities, regional
8 universities, The Evergreen State College, and the state board for
9 community and technical colleges as provided in this subsection.
10 Tuition fees may be increased in excess of the fiscal growth factor.

11 (a) For the 2003-04 academic year, the governing boards of the
12 state universities, regional universities, The Evergreen State College,
13 and the state board for community and technical colleges may implement
14 an increase no greater than five percent over tuition fees charged to
15 full-time resident undergraduate students for the 2002-03 academic
16 year.

17 (b) For the 2004-05 academic year, the governing boards of the
18 state universities, regional universities, The Evergreen State College,
19 and the state board for community and technical colleges may implement
20 an increase no greater than five percent over tuition fees charged to
21 full-time resident undergraduate students for the 2003-04 academic
22 year.

23 (c) For the 2003-04 and 2004-05 academic years, the governing
24 boards of the state universities, regional universities, The Evergreen
25 State College, and the state board for community and technical colleges
26 may adjust tuition fees for other than resident undergraduate students
27 at their discretion.

28 (d) For the 2003-05 biennium, the state board for community and
29 technical colleges may increase tuition fees differentially at their
30 discretion.

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

35 (4) In addition to waivers granted under the authority of RCW
36 28B.15.910, the governing boards and the state board may waive all or

1 a portion of operating fees for any student. State general fund
2 appropriations shall not be provided to replace tuition and fee revenue
3 foregone as a result of waivers granted under this subsection.

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

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

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

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

1 with recommendations for the ensuing biennium, shall be submitted to
 2 the fiscal and higher education committees of the legislature by
 3 November 15, 2005.

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

	2003-04	2004-05
	Annual	Annual
	Average	Average
12 University of Washington		
14 Main campus	32,427	32,427
15 Bothell branch	1,235	1,235
16 Tacoma branch	1,484	1,484
18 Washington State University		
20 Main campus	17,348	17,364
21 Spokane branch	593	593
22 Tri-Cities branch	616	616
23 Vancouver branch	1,153	1,153
25 Central Washington University	7,776	7,776
26 Eastern Washington University	8,017	8,017
27 The Evergreen State College	3,837	3,837
28 Western Washington University	11,126	11,126
29 State Board for Community and Technical Colleges	125,872	125,872

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

32 General Fund--State Appropriation (FY 2004)	\$529,351,000
33 General Fund--State Appropriation (FY 2005)	\$547,153,000
34 Student Achievement Fund--State Appropriation (FY 2005) . .	\$6,168,000

1 TOTAL APPROPRIATION \$1,082,672,000

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

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

7 (2) \$2,500,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$2,500,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely to increase salaries and related
10 benefits for part-time faculty. The board shall report by January 30
11 of each fiscal year to the office of financial management and
12 legislative fiscal and higher education committees on (a) the
13 distribution of state funds; (b) wage adjustments for part-time
14 faculty; and (c) progress to achieve the long-term performance targets
15 for each district, with respect to use of part-time faculty, pursuant
16 to the faculty mix study conducted under section 603, chapter 309, Laws
17 of 1999.

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

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

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

37 (a) Bates Technical College;

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

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

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

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

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

31 (10) \$212,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$212,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided for allocation to Olympic college. The
34 college shall contract with accredited baccalaureate institution(s) to
35 bring a program of upper-division courses to Bremerton. The state
36 board for community and technical colleges shall report to the office

1 of financial management and the fiscal and higher education committees
2 of the legislature on the implementation of this subsection by December
3 1st of each fiscal year.

4 (11) \$125,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$125,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely and on a one-time basis to start
7 up a college district consortium organized under the name "alliance for
8 corporate education." Financial operations shall be self-sustaining by
9 no later than June 30, 2005.

10 (12) \$6,167,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$6,168,000 of the student achievement fund--state
12 appropriation for fiscal year 2005 are provided solely to expand
13 enrollment in high-demand fields. High-demand fields means (a) health
14 care; (b) viticulture and enology; and (c) expansion of worker
15 retraining programs. The state board will manage a competitive process
16 for awarding these resources to the college districts.

17 NEW SECTION. **Sec. 604. FOR THE UNIVERSITY OF WASHINGTON**

18	General Fund--State Appropriation (FY 2004)	\$328,591,000
19	General Fund--State Appropriation (FY 2005)	\$343,209,000
20	Death Investigations Account--State	
21	Appropriation	\$261,000
22	Accident Account--State Appropriation	\$5,960,000
23	Medical Aid Account--State Appropriation	\$5,974,000
24	Student Achievement Fund--State Appropriation (FY 2005) . .	\$1,250,000
25	TOTAL APPROPRIATION	\$685,245,000

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

28 (1) \$1,875,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$1,875,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely to create a state resource for
31 technology education in the form of an institute located at the
32 University of Washington, Tacoma. The university will continue to
33 provide undergraduate and graduate degree programs meeting regional
34 technology needs including, but not limited to, computing and software
35 systems. As a condition of these appropriations:

1 (a) The university will work with the state board for community and
2 technical colleges, or individual colleges where necessary, to
3 establish articulation agreements in addition to the existing associate
4 of arts and associate of science transfer degrees. Such agreements
5 shall improve the transferability of students and in particular,
6 students with substantial applied information technology credits.

7 (b) The university will establish performance measures for
8 recruiting, retaining and graduating students, including nontraditional
9 students, and report back to the governor and legislature by September
10 2002 as to its progress and future steps.

11 (2) \$150,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$150,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for research faculty clusters in
14 the advanced technology initiative program.

15 (3) \$258,000 of the death investigations account appropriation is
16 provided solely for the forensic pathologist fellowship program.

17 (4) \$150,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$150,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the implementation of the
20 Puget Sound work plan and agency action item UW-01.

21 (5) \$75,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$75,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for the Olympic natural resource
24 center.

25 (6) \$1,526,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$3,096,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for competitively offered
28 recruitment and retention salary adjustments for instructional and
29 research faculty, exempt professional staff, academic administrators,
30 academic librarians, counselors, teaching and research assistants, as
31 classified by the office of financial management, and all other
32 nonclassified staff, but not including employees under RCW 28B.16.015.
33 Tuition revenues may be expended in addition to those required by this
34 section to further provide recruitment and retention salary
35 adjustments.

36 (7) \$1,250,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$1,250,000 of the student achievement fund--state

1 appropriation for fiscal year 2005 are provided solely for state match
2 to attract or retain federal research grants in high demand and
3 technologically advanced fields.

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

5	General Fund--State Appropriation (FY 2004)	\$191,508,000
6	General Fund--State Appropriation (FY 2005)	\$199,888,000
7	Student Achievement Fund--State Appropriation (FY 2005) . .	\$1,014,000
8	TOTAL APPROPRIATION	\$392,410,000

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

11 (1) \$150,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$150,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for research faculty clusters in
14 the advanced technology initiative program.

15 (2) \$165,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$166,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the implementation of the
18 Puget Sound work plan and agency action item WSU-01.

19 (3) \$949,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$1,927,000 of general fund--state appropriation for
21 fiscal year 2005 are provided solely for competitively offered
22 recruitment and retention salary adjustments for instructional and
23 research faculty, exempt professional staff, academic administrators,
24 academic librarians, counselors, teaching and research assistants, as
25 classified by the office of financial management, and all other
26 nonclassified staff, but not including employees under RCW 28B.16.015.
27 Tuition revenues may be expended in addition to those required by this
28 section to further provide recruitment and retention salary
29 adjustments.

30 (4) \$507,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,014,000 of the student achievement fund--state
32 appropriation for fiscal year 2005 are provided solely to expand
33 enrollment in high-demand fields. High-demand fields means veterinary
34 medicine. Within the amounts provided in this subsection, the
35 university shall expand the entering class of veterinary medicine

1 students by 16 full-time equivalent resident students each academic
2 year during the 2003-05 biennium.

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

4	General Fund--State Appropriation (FY 2004)	\$43,337,000
5	General Fund--State Appropriation (FY 2005)	\$44,802,000
6	Student Achievement Fund--State Appropriation (FY 2005) . . .	\$587,000
7	TOTAL APPROPRIATION	\$88,726,000

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

10 (1) \$248,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$503,000 of general fund--state appropriation for fiscal
12 year 2005 are provided solely for competitively offered recruitment and
13 retention salary adjustments for instructional and research faculty,
14 exempt professional staff, academic administrators, academic
15 librarians, counselors, teaching and research assistants, as classified
16 by the office of financial management, and all other nonclassified
17 staff, but not including employees under RCW 28B.16.015. Tuition
18 revenues may be expended in addition to those required by this section
19 to further provide recruitment and retention salary adjustments.

20 (2) \$587,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$587,000 of the student achievement fund--state
22 appropriation for fiscal year 2005 are provided solely to expand
23 enrollment in high-demand fields. High-demand fields means health
24 sciences and computing and engineering sciences.

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

26	General Fund--State Appropriation (FY 2004)	\$42,651,000
27	General Fund--State Appropriation (FY 2005)	\$44,891,000
28	Student Achievement Fund--State Appropriation (FY 2005) . . .	\$400,000
29	TOTAL APPROPRIATION	\$87,942,000

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

32 (1) \$1,652,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$1,652,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided to expand university enrollment by 306
35 full-time equivalent students.

1 (2) \$206,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$418,000 of general fund--state appropriation for fiscal
3 year 2005 are provided solely for competitively offered recruitment and
4 retention salary adjustments for instructional and research faculty,
5 exempt professional staff, academic administrators, academic
6 librarians, counselors, teaching and research assistants, as classified
7 by the office of financial management, and all other nonclassified
8 staff, but not including employees under RCW 28B.16.015. Tuition
9 revenues may be expended in addition to those required by this section
10 to further provide recruitment and retention salary adjustments.

11 (3) \$400,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$400,000 of the student achievement fund--state
13 appropriation for fiscal year 2005 are provided solely to expand
14 enrollment in high-demand fields. High-demand fields means special
15 education and elementary math and science programs.

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

17	General Fund--State Appropriation (FY 2004)	\$24,144,000
18	General Fund--State Appropriation (FY 2005)	\$25,206,000
19	Student Achievement Fund--State Appropriation (FY 2005) . . .	\$273,000
20	TOTAL APPROPRIATION	\$49,623,000

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

23 (1) \$124,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$252,000 of general fund--state appropriation for fiscal
25 year 2005 are provided solely for competitively offered recruitment and
26 retention salary adjustments for instructional and research faculty,
27 exempt professional staff, academic administrators, academic
28 librarians, counselors, teaching and research assistants, as classified
29 by the office of financial management, and all other nonclassified
30 staff, but not including employees under RCW 28B.16.015. Tuition
31 revenues may be expended in addition to those required by this section
32 to further provide recruitment and retention salary adjustments.

33 (2) \$272,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$273,000 of the student achievement fund--state
35 appropriation for fiscal year 2005 are provided solely to expand

1 enrollment in high-demand fields. High-demand fields means reservation
2 based tribal programs for undergraduate students.

3 (3) The Washington state institute for public policy shall research
4 the following issues and provide reports to the legislature as
5 directed. The institute board shall prioritize and schedule all
6 studies based on staff capacity.

7 (a) \$110,000 of the general fund--state appropriation for fiscal
8 year 2004 is provided solely for the Washington state institute for
9 public policy to review research assessing the effectiveness of
10 prevention and early intervention programs concerning children and
11 youth, including but not limited to, programs designed to reduce the
12 at-risk behaviors for children and youth identified in RCW
13 70.190.010(4).

14 Using this research, the institute shall identify specific
15 research-proven programs that produce a positive return on the dollar
16 compared to the costs of the program. The institute shall also develop
17 criteria designed to ensure quality implementation and program fidelity
18 of research-proven programs in the state. The criteria shall include
19 measures for ongoing monitoring and continual improvement of treatment
20 delivery, and shall be feasible for inclusion in a contract for
21 services. The institute shall develop recommendations for potential
22 state legislation that encourages local government investment in
23 research-proven prevention and early intervention programs by
24 reimbursing local governments for a portion of the savings that accrue
25 to the state as the result of local investments in such programs. The
26 institute shall present a preliminary report of its findings to the
27 appropriate committees of the legislature by December 1, 2003, and
28 shall present a final report by March 1, 2004.

29 This study incorporates all studies outlined in Substitute House
30 Bill No. 1028 (at-risk youth study), Substitute House Bill No. 1824
31 (treatment for juveniles), and Second Substitute House Bill No. 1841
32 (family services/intervention).

33 (b) \$26,000 of the general fund--state appropriation for fiscal
34 year 2004 is provided solely for the Washington state institute for
35 public policy to develop adherence and outcome standards for measuring
36 the effectiveness of treatment programs referred to in Engrossed Second

1 Substitute Senate Bill No. 5903 (juvenile offender sentencing). The
2 standards shall be developed and presented to the governor and
3 legislature by no later than January 1, 2004.

4 (c) \$100,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely for the Washington state institute for
6 public policy to study the relationship between prison overcrowding and
7 construction, and the current state criminal sentencing structure.

8 (i) The institute shall determine whether any changes could be made
9 to the current state sentencing structure to address prison
10 overcrowding and the need for new prison construction, giving great
11 weight to the primary purposes of the criminal justice system. These
12 purposes include: Protecting community safety; making frugal use of
13 state and local government resources by concentrating resources on
14 violent offenders and sex offenders who pose the greatest risk to our
15 communities; achieving proportionality in sentencing; and reducing the
16 risk of reoffending by offenders in the community.

17 (ii) In developing its research plan, the institute may consult
18 with the sentencing guidelines commission, the caseload forecast
19 council, and interested stakeholders.

20 (iii) The institute for public policy shall present a preliminary
21 report of its findings to the governor and to the appropriate standing
22 committees of the legislature by December 15, 2003, and shall present
23 a final report regarding its findings and recommendations by March 15,
24 2004.

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

26	General Fund--State Appropriation (FY 2004)	\$57,338,000
27	General Fund--State Appropriation (FY 2005)	\$59,880,000
28	Student Achievement Fund--State Appropriation (FY 2005) . . .	\$643,000
29	TOTAL APPROPRIATION	\$117,861,000

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

32 (1) \$980,400 of the general fund--state appropriation for fiscal
33 year 2004 and \$980,400 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the operations of the North
35 Snohomish, Island, Skagit (NSIS) higher education consortium.

1 (2) \$248,000 of the general fund--state appropriation for fiscal
 2 year 2004 and \$503,000 of general fund--state appropriation for fiscal
 3 year 2005 are provided solely for competitively offered recruitment and
 4 retention salary adjustments for instructional and research faculty,
 5 exempt professional staff, academic administrators, academic
 6 librarians, counselors, teaching and research assistants, as classified
 7 by the office of financial management, and all other nonclassified
 8 staff, but not including employees under RCW 28B.16.015. Tuition
 9 revenues may be expended in addition to those required by this section
 10 to further provide recruitment and retention salary adjustments.

11 (3) \$642,000 of the general fund--state appropriation for fiscal
 12 year 2004 and \$643,000 of the student achievement fund--state
 13 appropriation for fiscal year 2005 are provided solely to expand
 14 enrollment in high-demand fields. High-demand fields means special
 15 education, computer science, and information technology.

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

18	General Fund--State Appropriation (FY 2004)	\$2,195,000
19	General Fund--State Appropriation (FY 2005)	\$2,194,000
20	General Fund--Federal Appropriation	\$642,000
21	TOTAL APPROPRIATION	\$5,031,000

22 The appropriations in this section are provided to carry out the
 23 policy coordination, planning, studies and administrative functions of
 24 the board and are subject to the following conditions and limitations:

25 (1) Within the appropriations provided in this section, funds are
 26 provided to continue the teacher training pilot program pursuant to
 27 chapter 28B.80 RCW until standing authority for this program expires as
 28 scheduled on January 1, 2005.

29 (2) \$175,000 of the general fund--state appropriation for fiscal
 30 year 2004 and \$175,000 of the general fund--state appropriation for
 31 fiscal year 2005 are provided solely to continue a demonstration
 32 project to improve rural access to post-secondary education by bringing
 33 distance learning technologies into Jefferson county.

34 **NEW SECTION. Sec. 611. FOR THE HIGHER EDUCATION COORDINATING**

1 **BOARD--FINANCIAL AID AND GRANT PROGRAMS**

2	General Fund--State Appropriation (FY 2004)	\$142,945,000
3	General Fund--State Appropriation (FY 2005)	\$143,265,000
4	General Fund--Federal Appropriation	\$7,534,000
5	Student Achievement Fund--State Appropriation (FY 2005) . .	\$6,050,000
6	TOTAL APPROPRIATION	\$299,794,000

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

9 (1) \$259,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$273,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the western interstate
12 commission for higher education.

13 (2) \$1,100,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$1,100,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for the health professional
16 conditional scholarship and loan program under chapter 28B.115 RCW.
17 This amount shall be deposited to the health professional loan
18 repayment and scholarship trust fund to carry out the purposes of the
19 program.

20 (3) \$75,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$75,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for higher education student child
23 care matching grants under chapter 28B.135 RCW.

24 (4) \$25,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$25,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for the benefit of students who
27 participate in college assistance migrant programs (CAMP) operating in
28 Washington state. To ensure timely state aid, the board may establish
29 a date after which no additional grants would be available for the
30 2003-04 and 2004-05 academic years. The board shall disperse grants in
31 equal amounts to eligible post-secondary institutions so that state
32 money in all cases supplements federal CAMP awards.

33 (5) \$109,391,000 of the general fund--state appropriation for
34 fiscal year 2004 and \$115,411,000 of the general fund--state
35 appropriation for fiscal year 2005 are provided solely for the state
36 need grant program.

1 (a) After April 1 of each fiscal year, up to one percent of the
2 annual appropriation for the state need grant program may be
3 transferred to the state work study program.

4 (b) For the 2003-05 biennium, state need grant awards for students
5 who attend independent baccalaureate institutions shall not exceed
6 average tuition at the public regional universities as defined by RCW
7 28B.35.010.

8 (6) \$17,048,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$17,048,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the state work study program.
11 After April 1 of each fiscal year, up to one percent of the annual
12 appropriation for the state work study program may be transferred to
13 the state need grant program. In addition to the administrative
14 allowance in subsection (12) of this section, four percent of the
15 general fund--state amount in this subsection may be expended for state
16 work study program administration.

17 (7) \$2,867,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$2,867,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for educational opportunity
20 grants. The board may deposit sufficient funds from its appropriation
21 into the state education trust fund as established in RCW 28B.10.821 to
22 provide a one-year renewal of the grant for each new recipient of the
23 educational opportunity grant award. For the purpose of establishing
24 eligibility for the educational opportunity grant program for
25 placebound students under RCW 28B.101.020, Thurston county lies within
26 the branch campus service area of the Tacoma branch campus of the
27 University of Washington.

28 (8) \$1,881,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$2,079,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely to implement the Washington
31 scholars program. Any Washington scholars program moneys not awarded
32 by April 1st of each year may be transferred by the board to the
33 Washington award for vocational excellence.

34 (9) \$778,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$815,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to implement Washington award for

1 vocational excellence program. Any Washington award for vocational
2 program moneys not awarded by April 1st of each year may be transferred
3 by the board to the Washington scholars program.

4 (10) \$246,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$246,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for community scholarship matching
7 grants of \$2,000 each. To be eligible for the matching grant, a
8 nonprofit community organization organized under section 501(c)(3) of
9 the internal revenue code must demonstrate that it has raised \$2,000 in
10 new moneys for college scholarships after the effective date of this
11 act. An organization may receive more than one \$2,000 matching grant
12 and preference shall be given to organizations affiliated with the
13 citizens' scholarship foundation.

14 (11) Subject to state need grant service requirements pursuant to
15 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
16 appropriation for fiscal year 2004 and \$6,050,000 of the student
17 achievement fund--state appropriation for fiscal year 2005 are provided
18 solely for the Washington promise scholarship program.

19 (12) \$2,649,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$2,649,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for financial aid administration,
22 in addition to the four percent cost allowance provision for state work
23 study under subsection (6) of this section. These funds are provided
24 to administer all the financial aid and grant programs assigned to the
25 board by the legislature and administered by the agency. To the extent
26 the executive director finds the agency will not require the full sum
27 provided in this subsection, a portion may be transferred to supplement
28 financial grants-in-aid to eligible clients after notifying the board
29 and the office of financial management of the intended transfer.

30 (13) \$539,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$540,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for the displaced homemakers
33 program.

34 NEW SECTION. **Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**
35 **COORDINATING BOARD**

36 General Fund--State Appropriation (FY 2004) \$1,682,000

1	General Fund--State Appropriation (FY 2005)	\$1,640,000
2	General Fund--Federal Appropriation	\$53,796,000
3	TOTAL APPROPRIATION	\$57,118,000

4 The appropriations in this section are subject to the following
5 conditions and limitations: \$485,000 of the general fund--state
6 appropriation for fiscal year 2004 and \$485,000 of the general fund--
7 state appropriation for fiscal year 2005 are provided solely for the
8 operations and development of the inland northwest technology education
9 center (INTEC) as a regional resource and model for the rapid
10 deployment of skilled workers trained in the latest technologies for
11 Washington. The board shall serve as an advisor to and fiscal agent
12 for INTEC, and will report back to the governor and legislature by
13 September 2004 as to the progress and future steps for INTEC as this
14 new public-private partnership evolves.

15 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**
16 **AND TECHNOLOGY INSTITUTE**

17	General Fund--State Appropriation (FY 2004)	\$1,405,000
18	General Fund--State Appropriation (FY 2005)	\$1,423,000
19	TOTAL APPROPRIATION	\$2,828,000

20 NEW SECTION. **Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION**

21	General Fund--State Appropriation (FY 2004)	\$2,264,000
22	General Fund--State Appropriation (FY 2005)	\$2,270,000
23	General Fund--Federal Appropriation	\$1,026,000
24	TOTAL APPROPRIATION	\$5,560,000

25 NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE HISTORICAL**
26 **SOCIETY**

27	General Fund--State Appropriation (FY 2004)	\$2,452,000
28	General Fund--State Appropriation (FY 2005)	\$2,519,000
29	TOTAL APPROPRIATION	\$4,971,000

30 NEW SECTION. **Sec. 616. FOR THE EASTERN WASHINGTON STATE**
31 **HISTORICAL SOCIETY**

32	General Fund--State Appropriation (FY 2004)	\$1,459,000
33	General Fund--State Appropriation (FY 2005)	\$1,490,000

1 TOTAL APPROPRIATION \$2,949,000

2 NEW SECTION. **Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**

3 General Fund--State Appropriation (FY 2004) \$4,655,000

4 General Fund--State Appropriation (FY 2005) \$4,700,000

5 General Fund--Private/Local Appropriation \$1,335,000

6 TOTAL APPROPRIATION \$10,690,000

7 NEW SECTION. **Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF**

8 General Fund--State Appropriation (FY 2004) \$7,629,000

9 General Fund--State Appropriation (FY 2005) \$7,630,000

10 General Fund--Private/Local Appropriation \$232,000

11 TOTAL APPROPRIATION \$15,491,000

(End of part)

PART VII
SPECIAL APPROPRIATIONS

NEW SECTION. **Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund--State Appropriation (FY 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 general fund bond retirement account by June 30, 2004.

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

1 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**

2 **EMERGENCY FUND**

3	General Fund--State Appropriation (FY 2004)	\$850,000
4	General Fund--State Appropriation (FY 2005)	\$850,000
5	TOTAL APPROPRIATION	\$1,700,000

6 The appropriations in this section are subject to the following
7 conditions and limitations: The appropriations in this section are for
8 the governor's emergency fund for the critically necessary work of any
9 agency.

10 NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**

11 **REVOLVING FUND ADJUSTMENTS**

12	General Fund--State Appropriation (FY 2004)	\$3,350,000
13	General Fund--State Appropriation (FY 2005)	\$3,350,000
14	Revolving Fund Revolving Account Appropriation	\$2,792,000
15	TOTAL APPROPRIATION	\$9,492,000

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

18 (1) The appropriations in this section are provided solely to make
19 adjustments to agency revolving fund assessments for internal services
20 to reflect policy changes made to the governor's proposed omnibus
21 appropriations act.

22 (2) To facilitate the transfer of moneys from dedicated funds and
23 accounts, the state treasurer is directed to transfer sufficient moneys
24 from each dedicated fund or account to the revolving fund revolving
25 account, hereby created in the state treasury, in accordance with
26 schedules provided by the office of financial management.

27 NEW SECTION. **Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**

28 **EXTRAORDINARY CRIMINAL JUSTICE COSTS**

29	Public Safety and Education--State Appropriation	\$766,000
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30 The appropriation in this section is subject to the following
31 conditions and limitations: The director of financial management shall
32 distribute the entire appropriation to King county for extraordinary
33 criminal justice costs.

1 (1)(a) The monthly employer funding rate for insurance benefit
2 premiums, public employees' benefits board administration, and the
3 uniform medical plan, shall not exceed \$520.29 per eligible employee
4 for fiscal year 2004, and \$606.26 for fiscal year 2005.

5 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
6 employee shall be included in the employer funding rate for fiscal year
7 2004, and \$2.11 per eligible employee shall be included in the employer
8 funding rate for fiscal year 2005, solely to increase life insurance
9 coverage in accordance with a court approved settlement in *Burbage et*
10 *al. v. State of Washington* (Thurston county superior court cause no.
11 94-2-02560-8).

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

17 (d) The health care authority shall deposit any moneys received on
18 behalf of the uniform medical plan as a result of rebates on
19 prescription drugs, audits of hospitals, subrogation payments, or any
20 other moneys recovered as a result of prior uniform medical plan claims
21 payments, into the public employees' and retirees' insurance account to
22 be used for insurance benefits. Such receipts shall not be used for
23 administrative expenditures.

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

29 (3) The health care authority, subject to the approval of the
30 public employees' benefits board, shall provide subsidies for health
31 benefit premiums to eligible retired or disabled public employees and
32 school district employees who are eligible for parts A and B of
33 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
34 December 31, 2004, the subsidy shall be \$109.22. Starting January 1,
35 2005, the subsidy shall be \$132.20 per month.

36 (4) Technical colleges, school districts, and educational service

1 districts shall remit to the health care authority for deposit into the
2 public employees' and retirees' insurance account established in RCW
3 41.05.120 the following amounts:

4 (a) For each full-time employee, \$44.19 per month beginning
5 September 1, 2003, and \$53.54 beginning September 1, 2004;

6 (b) For each part-time employee who, at the time of the remittance,
7 is employed in an eligible position as defined in RCW 41.32.010 or
8 41.40.010 and is eligible for employer fringe benefit contributions for
9 basic benefits, \$44.19 each month beginning September 1, 2003, and
10 \$53.54 beginning September 1, 2004, prorated by the proportion of
11 employer fringe benefit contributions for a full-time employee that the
12 part-time employee receives.

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

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

22 NEW SECTION. **Sec. 712. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
23 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in this
24 section are subject to the following conditions and limitations: The
25 appropriations for the law enforcement officers' and firefighters'
26 retirement system shall be made on a monthly basis beginning July 1,
27 2003, consistent with chapter 41.45 RCW, and the appropriations for the
28 judges and judicial retirement systems shall be made on a quarterly
29 basis consistent with chapters 2.10 and 2.12 RCW.

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

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

34 (2) There is appropriated for contributions to the judicial
35 retirement system:

36 General Fund--State Appropriation (FY 2004) \$6,000,000

1 General Fund--State Appropriation (FY 2005) \$6,000,000
 2 (3) There is appropriated for contributions to the judges
 3 retirement system:
 4 General Fund--State Appropriation (FY 2004) \$500,000
 5 General Fund--State Appropriation (FY 2005) \$500,000
 6 TOTAL APPROPRIATION \$55,000,000

7 NEW SECTION. **Sec. 713. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
 8 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

9 General Fund--State Appropriation (FY 2004) \$674,000
 10 General Fund--State Appropriation (FY 2005) \$683,000
 11 Public Safety and Education Account--State
 12 Appropriation \$199,000
 13 Judicial Information Systems Account--State
 14 Appropriation \$57,000
 15 Department of Retirement Systems Expense
 16 Account--State Appropriation \$14,000
 17 TOTAL APPROPRIATION \$1,627,000

18 The appropriations in this section are subject to the following
 19 conditions and limitations: The appropriations in this section are
 20 provided solely to fund pension contributions to the public employees'
 21 retirement system and teachers' retirement system for judicial and
 22 legislative employees, effective July 1, 2003.

23 NEW SECTION. **Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
 24 **PENSION SAVINGS.**

25 General Fund--State Appropriation (FY 2004) (\$10,913,000)
 26 General Fund--State Appropriation (FY 2005) (\$11,008,000)
 27 General Fund--Federal Appropriation (\$4,374,000)
 28 General Fund--Private/Local Appropriation (\$502,000)
 29 Salary and Insurance Increase Revolving Account
 30 Appropriation (\$10,877,000)
 31 TOTAL APPROPRIATION (\$37,674,000)

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

1 (1) The appropriations in this section are provided solely to make
2 adjustments to agency appropriations to reflect savings resulting from
3 the adoption of the new smoothing method for the public employees',
4 teachers', and school employees' retirement systems and suspending
5 payment on the unfunded liability in the public employees' and
6 teachers' retirement system plans 1 as provided in Senate Bill No. 6029
7 (funding the public employees' retirement system, the school employees
8 retirement system, and the school employees retirement system). If the
9 bill is not enacted by June 30, 2003, the amounts provided in this
10 section shall lapse.

11 (2) To facilitate the transfer of moneys from dedicated funds and
12 accounts, the state treasurer is directed to transfer sufficient moneys
13 from each dedicated fund or account to the salary and insurance
14 increase revolving account.

15 NEW SECTION. **Sec. 715. SALARY COST OF LIVING ADJUSTMENT**

16	General Fund--State Appropriation (FY 2005)	\$22,826,000
17	General Fund--Federal Appropriation	\$4,539,000
18	General Fund--Private/Local Appropriation	\$513,000
19	Salary and Insurance Increase Revolving Account	
20	Appropriation	\$15,995,000
21	TOTAL APPROPRIATION	\$43,873,000

22 The appropriations in this section shall be expended solely for the
23 purposes designated in this section and are subject to the following
24 conditions and limitations:

25 (1) The appropriations in this section are sufficient to fund a 2.0
26 percent salary increase effective September 1, 2004, for general
27 government, legislative, and judicial employees exempt from merit
28 system rules whose maximum salaries are not set by the commission on
29 salaries for elected officials.

30 (2) The salary and insurance increase revolving account
31 appropriation in this section includes funds sufficient to fund a 2.0
32 percent salary increase effective September 1, 2004, for ferry workers
33 consistent with the 2003-05 transportation appropriations act.

34 (3)(a) No salary increase may be paid under this section to any
35 person whose salary has been Y-rated pursuant to rules adopted by the
36 personnel resources board.

1 (b) The average salary increases paid under this section to agency
2 officials whose maximum salaries are established by the committee on
3 agency official salaries shall not exceed the average increases
4 provided by subsection (2) of this section.

5 NEW SECTION. **Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
6 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

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

10 The appropriations in this section are subject to the following
11 conditions and limitations: The appropriation in this section is for
12 appropriation to the education technology revolving account for the
13 purpose of covering operational and transport costs incurred by the K-
14 20 educational network program in providing telecommunication services
15 to network participants.

16 NEW SECTION. **Sec. 717. INCENTIVE SAVINGS--FY 2004.** The sum of
17 one hundred million dollars or so much thereof as may be available on
18 June 30, 2004, from the total amount of unspent fiscal year 2004 state
19 general fund appropriations is appropriated for the purposes of RCW
20 43.79.460 in the manner provided in this section.

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

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

28 (3) For purposes of this section, the total amount of unspent state
29 general fund appropriations does not include the appropriations made in
30 this section or any amounts included in across-the-board allotment
31 reductions under RCW 43.88.110.

32 NEW SECTION. **Sec. 718. INCENTIVE SAVINGS--FY 2005.** The sum of
33 one hundred million dollars or so much thereof as may be available on

1 June 30, 2005, from the total amount of unspent fiscal year 2005 state
2 general fund appropriations is appropriated for the purposes of RCW
3 43.79.460 in the manner provided in this section.

4 (1) Of the total appropriated amount, one-half of that portion that
5 is attributable to incentive savings, not to exceed twenty-five million
6 dollars, is appropriated to the savings incentive account for the
7 purpose of improving the quality, efficiency, and effectiveness of
8 agency services, and credited to the agency that generated the savings.

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

11 (3) For purposes of this section, the total amount of unspent state
12 general fund appropriations does not include the appropriations made in
13 this section or any amounts included in across-the-board allotment
14 reductions under RCW 43.88.110.

15 NEW SECTION. **Sec. 719. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
16 **AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

17 Health Services Account--State Appropriation \$24,000,000

18 The appropriation in this section is subject to the following
19 conditions and limitations: The director of the department of
20 community, trade, and economic development shall distribute the
21 appropriations to the following counties and health districts in the
22 amounts designated:

Health District	FY 2004
Adams County Health District	\$30,951
Asotin County Health District	\$67,714
Benton-Franklin Health District	\$1,165,612
Chelan-Douglas Health District	\$184,761
Clallam County Health and Human Services Department	\$141,752
Southwest Washington Health District	\$1,084,473
Columbia County Health District	\$40,529
Cowlitz County Health Department	\$278,560
Garfield County Health District	\$15,028
Grant County Health District	\$118,595
Grays Harbor Health Department	\$183,870

1	Island County Health Department	\$91,892
2	Jefferson County Health and Human Services	\$85,782
3	Seattle-King County Department of Public Health	\$9,531,747
4	Bremerton-Kitsap County Health District	\$554,669
5	Kittitas County Health Department	\$92,499
6	Klickitat County Health Department	\$62,402
7	Lewis County Health Department	\$105,801
8	Lincoln County Health Department	\$29,705
9	Mason County Department of Health Services	\$95,988
10	Okanogan County Health District	\$63,458
11	Pacific County Health Department	\$77,427
12	Tacoma-Pierce County Health Department	\$2,820,590
13	San Juan County Health and Community Services	\$37,531
14	Skagit County Health Department	\$223,927
15	Snohomish Health District	\$2,258,207
16	Spokane County Health District	\$2,101,429
17	Northeast Tri-County Health District	\$110,454
18	Thurston County Health Department	\$600,419
19	Wahkiakum County Health Department	\$13,773
20	Walla Walla County-City Health Department	\$172,062
21	Whatcom County Health Department	\$855,863
22	Whitman County Health Department	\$78,733
23	Yakima Health District	\$623,797
24	TOTAL APPROPRIATIONS	\$24,000,000

25 NEW SECTION. **Sec. 720. FOR SUNDRY CLAIMS.** The following sums,
26 or so much thereof as may be necessary, are appropriated from the
27 general fund, unless otherwise indicated, for relief of various
28 individuals, firms, and corporations for sundry claims. These
29 appropriations are to be disbursed on vouchers approved by the director
30 of general administration, except as otherwise provided, as follows:

31 (1) Reimbursement of criminal defendants acquitted on the basis of
32 self-defense, pursuant to RCW 9A.16.110: Kelly C. Schwatz, claim
33 number SCJ 03-10 \$18,250

34 (2) Payment from the state wildlife account for damage to crops by
35 wildlife, pursuant to RCW 77.36.050:

36 (a) Circle S Landscape Supplies, claim number

1	SCG 03-05	\$49,380
2	(b) Marilyn Lund Farms, claim number SCG 03-08	\$17,175
3	(c) Paul Gibbons, claim number SCG 03-09	\$12,414
4	(d) Bud Hamilton, claim number SCG 03-10	\$15,591

5 NEW SECTION. **Sec. 721. FOR THE CIVIL LEGAL SERVICES ACCOUNT**

6	General Fund--State Appropriation (FY 2004)	\$2,326,000
7	General Fund--State Appropriation (FY 2005)	\$2,326,000
8	Public Safety and Education Account--State	
9	Appropriation	\$4,609,000
10	TOTAL APPROPRIATION	\$9,261,000

11 The appropriations in this section are subject to the following
12 conditions and limitations: The entire appropriation is provided
13 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

Table with 2 columns: Description and Amount. Rows include: 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 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), and TOTAL APPROPRIATION (\$275,806,908).

1 The total expenditures from the state treasury under the
2 appropriations in this section shall not exceed the funds available
3 under statutory distributions for the stated purposes.

4 NEW SECTION. **Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY**
5 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

6 Impaired Driving Safety Account Appropriation \$1,843,260

7 The appropriation in this section is subject to the following
8 conditions and limitations: The amount appropriated in this section
9 shall be distributed quarterly during the 2003-05 biennium in
10 accordance with RCW 82.14.310. This funding is provided to counties
11 for the costs of implementing criminal justice legislation including,
12 but not limited to: Chapter 206, Laws of 1998 (drunk driving
13 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
14 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
15 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
16 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
17 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
18 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
19 215, Laws of 1998 (DUI provisions).

20 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--FOR THE MUNICIPAL**
21 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

22 Impaired Driving Safety Account Appropriation \$1,228,840

23 The appropriation in this section is subject to the following
24 conditions and limitations: The amount appropriated in this section
25 shall be distributed quarterly during the 2003-05 biennium to all
26 cities ratably based on population as last determined by the office of
27 financial management. The distributions to any city that substantially
28 decriminalizes or repeals its criminal code after July 1, 1990, and
29 that does not reimburse the county for costs associated with criminal
30 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
31 which the city is located. This funding is provided to cities for the
32 costs of implementing criminal justice legislation including, but not
33 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
34 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
35 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license

1 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
2 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
3 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
4 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
5 Laws of 1998 (DUI provisions).

6 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**
7 **FOR DISTRIBUTION**

8	General Fund Appropriation for federal grazing	
9	fees distribution	\$1,293,828
10	General Fund Appropriation for federal flood	
11	control funds distribution	\$25,050
12	Forest Reserve Fund Appropriation for federal	
13	forest reserve fund distribution	\$83,492,373
14	TOTAL APPROPRIATION	\$84,811,251

15 The total expenditures from the state treasury under the
16 appropriations in this section shall not exceed the funds available
17 under statutory distributions for the stated purposes.

18 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS**

19 For transfers in this section to the state general fund, pursuant
20 to RCW 43.135.035(5), the state expenditure limit shall be increased by
21 the amount of the transfer. The increase shall occur in the fiscal
22 year in which the transfer occurs.

23	State Convention and Trade Center Account:	
24	For transfer to the state general fund	\$10,000,000
25	County Sale/Use Tax Equalization Account:	
26	For transfer to the state general fund for	
27	fiscal year 2004	\$74,000
28	Municipal Sale/Use Tax Equalization Account:	
29	For transfer to the state general fund for	
30	fiscal year 2004	\$374,000
31	Asbestos Account: For transfer to the state	
32	general fund	\$200,000
33	Electrical License Account: For transfer	
34	to the state general fund	\$7,000,000
35	Local Toxics Control Account: For transfer	

1 to the state toxics control account \$4,059,000
2 Pressure Systems Safety Account: For transfer
3 to the state general fund \$1,000,000
4 Health Services Account: For transfer
5 to the water quality account \$8,182,000
6 State Treasurer's Service Account: For
7 transfer to the general fund \$10,000,000
8 Public Works Assistance Account: For
9 transfer to the drinking water
10 assistance account \$8,387,000
11 Tobacco Settlement Account: For transfer
12 to the health services account, in an
13 amount not to exceed the actual balance
14 of the tobacco settlement account \$185,000,000
15 Health Service Account: For transfer
16 to the violence reduction and drug
17 enforcement account \$7,789,000
18 Nisqually Earthquake Account: For transfer to
19 the disaster response account \$6,200,000
20 Industrial Insurance Premium Refund Account:
21 For transfer to the state general fund \$577,000
22 Public Service Revolving Account: For transfer
23 to the state general fund \$1,000,000
24 Gambling Revolving Account: For transfer
25 to the state general fund \$1,500,000
26 State Forest Nursery Revolving Account: For transfer
27 to the state general fund, \$250,000 for fiscal
28 year 2004 and \$250,000 for fiscal year 2005 \$500,000
29 Flood Control Assistance Account: For transfer
30 to the state general fund, \$1,350,000 for
31 fiscal year 2004 and \$1,350,000 for fiscal
32 year 2005 \$2,700,000
33 Water Quality Account: For transfer to the water
34 pollution control account \$10,500,000
35 General Fund: For transfer to the water quality
36 account, \$3,870,000 for fiscal year 2004 and
37 \$4,557,000 for fiscal year 2005 \$8,427,000

1 Insurance Commissioner's Regulatory Account:
 2 For transfer to the state general fund \$1,000,000
 3 Health Services Account: For transfer to the
 4 tobacco prevention and control account \$24,216,000
 5 From the Emergency Reserve Fund: For transfer
 6 to the state general fund \$57,046,000
 7 Student Achievement Fund: For transfer to the state
 8 general fund for fiscal year 2005 \$44,900,000
 9 Department of Retirement Systems Expense Account: For transfer
 10 to the state general fund \$1,500,000
 11 Landowner Contingency Fire Suppression
 12 Account: For transfer to the state general fund
 13 for fiscal year 2005 \$3,000,000
 14 Woodstove Education and Enforcement Account:
 15 For transfer to the air pollution control account \$600,000
 16 Education Construction Fund: For transfer to the
 17 state general fund for fiscal year 2005 \$68,775,000

18 NEW SECTION. **Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
 19 **TRANSFERS**

20 General Fund--State Appropriation: For
 21 transfer to the department of retirement
 22 systems expense account: For the
 23 administrative expenses of the judicial
 24 retirement system \$21,901

(End of part)

1 (e) Progress toward enabling electronic access to public
2 information.

3 (3) Each project will be planned and designed to take optimal
4 advantage of Internet technologies and protocols. Agencies shall
5 ensure that the project is in compliance with the architecture,
6 infrastructure, principles, policies, and standards of digital
7 government as maintained by the information services board.

8 (4) The agency shall produce a feasibility study for information
9 technology projects at the direction of the information services board
10 and in accordance with published department of information services
11 policies and guidelines. At a minimum, such studies shall include a
12 statement of: (a) The purpose or impetus for change; (b) the business
13 value to the agency, including an examination and evaluation of
14 benefits, advantages, and cost; (c) a comprehensive risk assessment
15 based on the proposed project's impact on both citizens and state
16 operations, its visibility, and the consequences of doing nothing; (d)
17 the impact on agency and statewide information infrastructure; and (e)
18 the impact of the proposed enhancements to an agency's information
19 technology capabilities on meeting service delivery demands.

20 (5) The agency shall produce a comprehensive management plan for
21 each project. The plan or plans shall address all factors critical to
22 successful completion of each project. The plan(s) shall include, but
23 is not limited to, the following elements: A description of the
24 problem or opportunity that the information technology project is
25 intended to address; a statement of project objectives and assumptions;
26 a definition and schedule of phases, tasks, and activities to be
27 accomplished; and the estimated cost of each phase. The planning for
28 the phased approach shall be such that the business case justification
29 for a project needs to demonstrate how the project recovers cost or
30 adds measurable value or positive cost benefit to the agency's business
31 functions within each development cycle.

32 (6) The agency shall produce quality assurance plans for
33 information technology projects. Consistent with the direction of the
34 information services board and the published policies and guidelines of
35 the department of information services, the quality assurance plan
36 shall address all factors critical to successful completion of the
37 project and successful integration with the agency and state

1 information technology infrastructure. At a minimum, quality assurance
2 plans shall provide time and budget benchmarks against which project
3 progress can be measured, a specification of quality assurance
4 responsibilities, and a statement of reporting requirements. The
5 quality assurance plans shall set out the functionality requirements
6 for each phase of a project.

7 (7) A copy of each feasibility study, project management plan, and
8 quality assurance plan shall be provided to the department of
9 information services, the office of financial management, and
10 legislative fiscal committees. The plans and studies shall demonstrate
11 a sound business case that justifies the investment of taxpayer funds
12 on any new project, an assessment of the impact of the proposed system
13 on the existing information technology infrastructure, the disciplined
14 use of preventative measures to mitigate risk, and the leveraging of
15 private-sector expertise as needed. Authority to expend any funds for
16 individual information systems projects is conditioned on the approval
17 of the relevant feasibility study, project management plan, and quality
18 assurance plan by the department of information services and the office
19 of financial management.

20 (8) Quality assurance status reports shall be submitted to the
21 department of information services, the office of financial management,
22 and legislative fiscal committees at intervals specified in the
23 project's quality assurance plan.

24 NEW SECTION. **Sec. 903. VIDEO TELECOMMUNICATIONS.** The department
25 of information services shall act as lead agency in coordinating video
26 telecommunications services for state agencies. As lead agency, the
27 department shall develop standards and common specifications for leased
28 and purchased telecommunications equipment and assist state agencies in
29 developing a video telecommunications expenditure plan. No agency may
30 spend any portion of any appropriation in this act for new video
31 telecommunication equipment, new video telecommunication transmission,
32 or new video telecommunication programming, or for expanding current
33 video telecommunication systems without first complying with chapter
34 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
35 without first submitting a video telecommunications expenditure plan,
36 in accordance with the policies of the department of information

1 services, for review and assessment by the department of information
2 services under RCW 43.105.052. Prior to any such expenditure by a
3 public school, a video telecommunications expenditure plan shall be
4 approved by the superintendent of public instruction. The office of
5 the superintendent of public instruction shall submit the plans to the
6 department of information services in a form prescribed by the
7 department. The office of the superintendent of public instruction
8 shall coordinate the use of video telecommunications in public schools
9 by providing educational information to local school districts and
10 shall assist local school districts and educational service districts
11 in telecommunications planning and curriculum development. Prior to
12 any such expenditure by a public institution of postsecondary
13 education, a telecommunications expenditure plan shall be approved by
14 the higher education coordinating board. The higher education
15 coordinating board shall coordinate the use of video telecommunications
16 for instruction and instructional support in postsecondary education,
17 including the review and approval of instructional telecommunications
18 course offerings.

19 NEW SECTION. **Sec. 904. PROGRAM COST SHIFTS.** Any program costs
20 or moneys in this act that are shifted to the general fund from another
21 fund or account require an adjustment to the expenditure limit under
22 RCW 43.135.035(5).

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

30 NEW SECTION. **Sec. 906. STATUTORY APPROPRIATIONS.** In addition
31 to the amounts appropriated in this act for revenues for distribution,
32 state contributions to the law enforcement officers' and fire fighters'
33 retirement system plan 2, and bond retirement and interest including
34 ongoing bond registration and transfer charges, transfers, interest on

1 registered warrants, and certificates of indebtedness, there is also
2 appropriated such further amounts as may be required or available for
3 these purposes under any statutory formula or under chapters 39.94 and
4 39.96 RCW or any proper bond covenant made under law.

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

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

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

28 NEW SECTION. **Sec. 909. VOLUNTARY RETIREMENT INCENTIVES.** It is
29 the intent of the legislature that agencies may implement a voluntary
30 retirement incentive program that is cost neutral or results in cost
31 savings provided that such a program is approved by the director of
32 retirement systems and the office of financial management. Agencies
33 participating in this authorization are required to submit a report by
34 June 30, 2005, to the legislature and the office of financial

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

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

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

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

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

33 All sums received from licenses, permit fees, or other sources,
34 herein shall be paid to the state treasurer and placed in a special
35 fund designated as the "electrical license fund," and ((by him)) paid

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

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

10 **Sec. 912.** RCW 28A.305.210 and 1975 1st ex.s. c 275 s 51 are each
11 amended to read as follows:

12 (1) The state board of education, by rule or regulation, may
13 require the assistance of educational service district boards and/or
14 superintendents in the performance of any duty, authority, or power
15 imposed upon or granted to the state board of education by law, upon
16 such terms and conditions as the state board of education shall
17 establish. Such authority to assist the state board of education shall
18 be limited to the service function of information collection and
19 dissemination and the attestment to the accuracy and completeness of
20 submitted information.

21 (2) During the 2003-05 biennium, educational service districts may,
22 at the request of the state board of education, receive and screen
23 applications for school accreditation, conduct school accreditation
24 site visits pursuant to state board of education rules, and submit to
25 the state board of education post-site visit recommendations for school
26 accreditation. The educational service districts may assess a
27 cooperative service fee to recover actual plus reasonable indirect
28 costs for the purposes of this subsection.

29 **Sec. 913.** RCW 28B.95.030 and 2000 c 14 s 3 are each amended to
30 read as follows:

31 (1) The Washington advanced college tuition payment program shall
32 be administered by the committee on advanced tuition payment which
33 shall be chaired by the executive director of the board. The committee
34 shall be supported by staff of the board.

1 (2)(a) The Washington advanced college tuition payment program
2 shall consist of the sale of tuition units, which may be redeemed by
3 the beneficiary at a future date for an equal number of tuition units
4 regardless of any increase in the price of tuition, that may have
5 occurred in the interval.

6 (b) Each purchase shall be worth a specific number of or fraction
7 of tuition units at each state institution of higher education as
8 determined by the governing body.

9 (c) The number of tuition units necessary to pay for a full year's,
10 full-time undergraduate tuition and fee charges at a state institution
11 of higher education shall be set by the governing body at the time a
12 purchaser enters into a tuition unit contract.

13 (d) The governing body may limit the number of tuition units
14 purchased by any one purchaser or on behalf of any one beneficiary,
15 however, no limit may be imposed that is less than that necessary to
16 achieve four years of full-time, undergraduate tuition charges at a
17 state institution of higher education. The governing body also may, at
18 its discretion, limit the number of participants, if needed, to ensure
19 the actuarial soundness and integrity of the program.

20 (3)(a) No tuition unit may be redeemed until two years after the
21 purchase of the unit. Units may be redeemed for enrollment at any
22 institution of higher education that is recognized by the internal
23 revenue service under chapter 529 of the internal revenue code.

24 (b) Units redeemed at a nonstate institution of higher education or
25 for graduate enrollment shall be redeemed at the rate for state public
26 institutions in effect at the time of redemption.

27 (4) The governing body shall determine the conditions under which
28 the tuition benefit may be transferred to another family member. In
29 permitting such transfers, the governing body may not allow the tuition
30 benefit to be bought, sold, bartered, or otherwise exchanged for goods
31 and services by either the beneficiary or the purchaser.

32 (5) The governing body shall administer the Washington advanced
33 college tuition payment program in a manner reasonably designed to be
34 actuarially sound, such that the assets of the trust will be sufficient
35 to defray the obligations of the trust including the costs of
36 administration. The governing body may, at its discretion, discount

1 the minimum purchase price for certain kinds of purchases such as those
2 from families with young children, as long as the actuarial soundness
3 of the account is not jeopardized.

4 (6) The governing body shall annually determine current value of a
5 tuition unit and the value of the weighted average tuition unit.

6 (7) The governing body shall promote, advertise, and publicize the
7 Washington advanced college tuition payment program. However, during
8 the 2003-05 fiscal biennium, the governing body may not promote,
9 advertise, or publicize the program other than via its internet website
10 or in response to individual requests for information by the public.

11 (8) In addition to any other powers conferred by this chapter, the
12 governing body may:

13 (a) Impose reasonable limits on the number of tuition units or
14 units that may be used in any one year;

15 (b) Determine and set any time limits, if necessary, for the use of
16 benefits under this chapter;

17 (c) Impose and collect administrative fees and charges in
18 connection with any transaction under this chapter;

19 (d) Appoint and use advisory committees as needed to provide
20 program direction and guidance;

21 (e) Formulate and adopt all other policies and rules necessary for
22 the efficient administration of the program;

23 (f) Consider the addition of an advanced payment program for room
24 and board contracts and also consider a college savings program;

25 (g) Purchase insurance from insurers licensed to do business in the
26 state, to provide for coverage against any loss in connection with the
27 account's property, assets, or activities or to further insure the
28 value of the tuition units;

29 (h) Make, execute, and deliver contracts, conveyances, and other
30 instruments necessary to the exercise and discharge of its powers and
31 duties under this chapter;

32 (i) Contract for the provision for all or part of the services
33 necessary for the management and operation of the program with other
34 state or nonstate entities authorized to do business in the state;

35 (j) Contract for other services or for goods needed by the
36 governing body in the conduct of its business under this chapter;

1 (k) Contract with financial consultants, actuaries, auditors, and
2 other consultants as necessary to carry out its responsibilities under
3 this chapter;

4 (l) Solicit and accept cash donations and grants from any person,
5 governmental agency, private business, or organization; and

6 (m) Perform all acts necessary and proper to carry out the duties
7 and responsibilities of this program under this chapter.

8 **Sec. 914.** RCW 38.52.106 and 2002 c 371 s 904 are each amended to
9 read as follows:

10 The Nisqually earthquake account is created in the state treasury.
11 Moneys may be placed in the account from tax revenues, budget transfers
12 or appropriations, federal appropriations, gifts, or any other lawful
13 source. Moneys in the account may be spent only after appropriation.
14 Moneys in the account shall be used only to support state and local
15 government disaster response and recovery efforts associated with the
16 Nisqually earthquake. During the ~~((2001-))~~ 2003-2005 fiscal biennium,
17 the legislature may transfer moneys from the Nisqually earthquake
18 account to the disaster response account for fire suppression and
19 mobilization costs ~~((, and costs associated with national security
20 preparedness activities))~~.

21 **Sec. 915.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended
22 to read as follows:

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

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

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

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

6 **Sec. 916.** RCW 43.10.180 and 1979 c 151 s 95 are each amended to
7 read as follows:

8 (1) The attorney general shall keep such records as are necessary
9 to facilitate proper allocation of costs to funds and agencies served
10 and the director of financial management shall prescribe appropriate
11 accounting procedures to accurately allocate costs to funds and
12 agencies served. Billings shall be adjusted in line with actual costs
13 incurred at intervals not to exceed six months.

14 (2) During the 2003-05 fiscal biennium, all expenses for
15 administration of the office of the attorney general shall be allocated
16 to and paid from the legal services revolving fund in accordance with
17 accounting procedures prescribed by the director of financial
18 management.

19 **Sec. 917.** RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c
20 289 s 4 are each reenacted and amended to read as follows:

21 The money received by the state treasurer from fees, fines,
22 forfeitures, penalties, reimbursements or assessments by any court
23 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
24 deposited in the public safety and education account which is hereby
25 created in the state treasury. The legislature shall appropriate the
26 funds in the account to promote traffic safety education, highway
27 safety, criminal justice training, crime victims' compensation,
28 judicial education, the judicial information system, civil
29 representation of indigent persons, winter recreation parking, drug
30 court operations, and state game programs. During the fiscal biennium
31 ending June 30, ((2003)) 2005, the legislature may appropriate moneys
32 from the public safety and education account for purposes of appellate
33 indigent defense and other operations of the office of public defense,
34 the criminal litigation unit of the attorney general's office, the
35 treatment alternatives to street crimes program, crime victims advocacy

1 programs, justice information network telecommunication planning,
2 treatment for supplemental security income clients, sexual assault
3 treatment, operations of the office of administrator for the courts,
4 security in the common schools, alternative school start-up grants,
5 programs for disruptive students, criminal justice data collection,
6 Washington state patrol criminal justice activities, drug court
7 operations, unified family courts, local court backlog assistance,
8 financial assistance to local jurisdictions for extraordinary costs
9 incurred in the adjudication of criminal cases, domestic violence
10 treatment and related services, the department of corrections' costs in
11 implementing chapter 196, Laws of 1999, reimbursement of local
12 governments for costs associated with implementing criminal and civil
13 justice legislation, the replacement of the department of corrections'
14 offender-based tracking system, secure and semi-secure crisis
15 residential centers, HOPE beds, the family policy council and community
16 public health and safety networks, the street youth program, and
17 narcotics or methamphetamine-related enforcement, education, training,
18 and drug and alcohol treatment services.

19 **Sec. 918.** RCW 43.43.944 and 1999 c 117 s 2 are each amended to
20 read as follows:

21 (1) The fire service training account is hereby established in the
22 state treasury. The fund shall consist of:

23 (a) All fees received by the Washington state patrol for fire
24 service training;

25 (b) All grants and bequests accepted by the Washington state patrol
26 under RCW 43.43.940; and

27 (c) Twenty percent of all moneys received by the state on fire
28 insurance premiums.

29 (2) Moneys in the account may be appropriated only for fire service
30 training. During the 2003-2005 fiscal biennium, the legislature may
31 appropriate funds from this account for school fire prevention
32 activities within the Washington state patrol.

33 **Sec. 919.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
34 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
35 follows:

1 (1) The emergency reserve fund is established in the state
2 treasury. During each fiscal year, the state treasurer shall deposit
3 in the emergency reserve fund all general fund--state revenues in
4 excess of the state expenditure limit for that fiscal year. Deposits
5 shall be made at the end of each fiscal quarter based on projections of
6 state revenues and the state expenditure limit. The treasurer shall
7 make transfers between these accounts as necessary to reconcile actual
8 annual revenues and the expenditure limit for fiscal year 2000 and
9 thereafter.

10 (2) The legislature may appropriate moneys from the emergency
11 reserve fund only with approval of at least two-thirds of the members
12 of each house of the legislature, and then only if the appropriation
13 does not cause total expenditures to exceed the state expenditure limit
14 under this chapter.

15 (3) The emergency reserve fund balance shall not exceed five
16 percent of annual general fund--state revenues as projected by the
17 official state revenue forecast. Any balance in excess of five percent
18 shall be transferred on a quarterly basis by the state treasurer as
19 follows: Seventy-five percent to the student achievement fund hereby
20 created in the state treasury and twenty-five percent to the general
21 fund balance. The treasurer shall make transfers between these
22 accounts as necessary to reconcile actual annual revenues for fiscal
23 year 2000 and thereafter. When per-student state funding for the
24 maintenance and operation of K-12 education meets a level of no less
25 than ninety percent of the national average of total funding from all
26 sources per student as determined by the most recent published data
27 from the national center for education statistics of the United States
28 department of education, as calculated by the office of financial
29 management, further deposits to the student achievement fund shall be
30 required only to the extent necessary to maintain the ninety-percent
31 level. Remaining funds are part of the general fund balance and these
32 funds are subject to the expenditure limits of this chapter.

33 (4) The education construction fund is hereby created in the state
34 treasury.

35 (a) Funds may be appropriated from the education construction fund
36 exclusively for common school construction or higher education
37 construction.

1 (b) Funds may be appropriated for any other purpose only if
2 approved by a two-thirds vote of each house of the legislature and if
3 approved by a vote of the people at the next general election. An
4 appropriation approved by the people under this subsection shall result
5 in an adjustment to the state expenditure limit only for the fiscal
6 period for which the appropriation is made and shall not affect any
7 subsequent fiscal period.

8 (5) Funds from the student achievement fund shall be appropriated
9 to the superintendent of public instruction strictly for distribution
10 to school districts to meet the provisions set out in the student
11 achievement act. Allocations shall be made on an equal per full-time
12 equivalent student basis to each school district.

13 (6) Earnings of the emergency reserve fund under RCW
14 43.84.092(4)(a) shall be transferred quarterly to the multimodal
15 transportation account, except for those earnings that are in excess of
16 thirty-five million dollars each fiscal year. However, during the
17 2003-05 fiscal biennium, earnings of the emergency reserve fund shall
18 not be transferred. Within thirty days following any fiscal year in
19 which earnings transferred to the multimodal transportation account
20 under this subsection did not total thirty-five million dollars, the
21 state treasurer shall transfer from the emergency reserve fund an
22 amount necessary to bring the total deposited in the multimodal
23 transportation account under this subsection to thirty-five million
24 dollars. The revenues to the multimodal transportation account
25 reflected in this subsection provide ongoing support for the
26 transportation programs of the state. However, it is the intent of the
27 legislature that any new long-term financial support that may be
28 subsequently provided for transportation programs will be used to
29 replace and supplant the revenues reflected in this subsection, thereby
30 allowing those revenues to be returned to the purposes to which they
31 were previously dedicated.

32 **Sec. 920.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to
33 read as follows:

34 (1) As used in this section:

35 (a) "Organization" means every insurer, as defined in RCW
36 48.01.050, having a certificate of authority to do business in this

1 state and every health care service contractor registered to do
2 business in this state. "Class one" organizations shall consist of all
3 insurers as defined in RCW 48.01.050. "Class two" organizations shall
4 consist of all organizations registered under provisions of chapter
5 48.44 RCW.

6 (b) "Receipts" means (i) net direct premiums consisting of direct
7 gross premiums, as defined in RCW 48.18.170, paid for insurance written
8 or renewed upon risks or property resident, situated, or to be
9 performed in this state, less return premiums and premiums on policies
10 not taken, dividends paid or credited to policyholders on direct
11 business, and premiums received from policies or contracts issued in
12 connection with qualified plans as defined in RCW 48.14.021, and (ii)
13 prepayments to health care service contractors as set forth in RCW
14 48.44.010(3) less experience rating credits, dividends, prepayments
15 returned to subscribers, and payments for contracts not taken.

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

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

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

1 for the fees and, if necessary, the commissioner may impose
2 supplemental fees to fully and properly charge the organizations. The
3 penalties for failure to pay fees when due shall be the same as the
4 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
5 required by this section are in addition to all other taxes and fees
6 now imposed or that may be subsequently imposed.

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

10 (6) Unexpended funds in the insurance commissioner's regulatory
11 account at the close of a fiscal year shall be carried forward in the
12 insurance commissioner's regulatory account to the succeeding fiscal
13 year and shall be used to reduce future fees. During the ((2001-2003))
14 2003-2005 fiscal biennium, the legislature may transfer from the
15 insurance commissioner's regulatory account to the state general fund
16 such amounts as reflect excess fund balance in the account.

17 **Sec. 921.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to
18 read as follows:

19 (1) The department shall administer this chapter.

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

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

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

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

1 **Sec. 922.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to
2 read as follows:

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

25 **Sec. 923.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to
26 read as follows:

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

1 shall be deposited in the state convention and trade center account
2 hereby created in the state treasury and in such subaccounts as are
3 deemed appropriate by the directors of the corporation.

4 (2) Moneys in the account, including unanticipated revenues under
5 RCW 43.79.270, shall be used exclusively for the following purposes in
6 the following priority:

7 (a) For reimbursement of the state general fund under RCW
8 67.40.060;

9 (b) After appropriation by statute:

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

12 (ii) For expenditures authorized in RCW 67.40.170;

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

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

17 (c) For transfer to the state convention and trade center
18 operations account.

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

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

35 (5) During the 2003-2005 fiscal biennium, the legislature may
36 transfer from the state convention and trade center account to the

1 state general fund such amounts as reflect the excess fund balance of
2 the account.

3 **Sec. 924.** RCW 69.50.520 and 2002 c 371 s 920 are each amended to
4 read as follows:

5 The violence reduction and drug enforcement account is created in
6 the state treasury. All designated receipts from RCW 9.41.110(8),
7 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
8 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
9 shall be deposited into the account. Expenditures from the account may
10 be used only for funding services and programs under chapter 271, Laws
11 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
12 incarceration costs. Funds from the account may also be appropriated
13 to reimburse local governments for costs associated with implementing
14 criminal justice legislation including chapter 338, Laws of 1997.
15 During the ~~((2001-))~~ 2003-2005 biennium, funds from the account may
16 also be used for costs associated with providing grants to local
17 governments in accordance with chapter 338, Laws of 1997, ~~((the~~
18 ~~replacement of the department of corrections' offender based tracking~~
19 ~~system)) funding drug offender treatment services in accordance with~~
20 RCW 70.96A.350, maintenance and operating costs of the Washington
21 association of sheriffs and police chiefs jail reporting system,
22 ~~((civil indigent legal representation, and for))~~ multijurisdictional
23 narcotics task forces ~~((. After July 1, 2003, at least seven and one-~~
24 ~~half percent of expenditures from the account shall be used for~~
25 ~~providing)), and grants to community networks under chapter 70.190 RCW~~
26 by the family policy council.

27 **Sec. 925.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to
28 read as follows:

29 The chief inspector shall give an official receipt for all fees
30 required by chapter 70.79 RCW and shall transfer all sums so received
31 to the treasurer of the state of Washington as ex officio custodian
32 thereof and ~~((by him, as such custodian,))~~ the treasurer shall place
33 ~~((said))~~ all sums in a special fund hereby created and designated as
34 the "pressure systems safety fund". ~~((Said))~~ Funds ~~((by him))~~ shall be
35 paid out upon vouchers duly and regularly issued therefor and approved

1 by the director of the department of labor and industries. The
2 treasurer, as ex officio custodian of (~~said~~) the fund, shall keep an
3 accurate record of any payments into (~~said~~) the fund, and of all
4 disbursements therefrom. (~~Said~~) The fund shall be used exclusively
5 to defray only the expenses of administering chapter 70.79 RCW by the
6 chief inspector as authorized by law and the expenses incident to the
7 maintenance of (~~his~~) the office. The fund shall be charged with its
8 pro rata share of the cost of administering (~~said~~) the fund which is
9 to be determined by the director of financial management and by the
10 director of the department of labor and industries.

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

14 **Sec. 926.** RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each
15 amended to read as follows:

16 (1) The wood stove education and enforcement account is hereby
17 created in the state treasury. Money placed in the account shall
18 include all money received under subsection (2) of this section and any
19 other money appropriated by the legislature. Money in the account
20 shall be spent for the purposes of the wood stove education program
21 established under RCW 70.94.480 and for enforcement of the wood stove
22 program, and shall be subject to legislative appropriation. However,
23 during the 2003-05 fiscal biennium, the legislature may transfer from
24 the wood stove education and enforcement account to the air pollution
25 control account such amounts as specified in the omnibus operating
26 budget bill.

27 (2) The department of ecology, with the advice of the advisory
28 committee, shall set a flat fee of thirty dollars, on the retail sale,
29 as defined in RCW 82.04.050, of each solid fuel burning device after
30 January 1, 1992. The fee shall be imposed upon the consumer and shall
31 not be subject to the retail sales tax provisions of chapters 82.08 and
32 82.12 RCW. The fee may be adjusted annually above thirty dollars to
33 account for inflation as determined by the state office of the economic
34 and revenue forecast council. The fee shall be collected by the
35 department of revenue in conjunction with the retail sales tax under
36 chapter 82.08 RCW. If the seller fails to collect the fee herein

1 imposed or fails to remit the fee to the department of revenue in the
2 manner prescribed in chapter 82.08 RCW, the seller shall be personally
3 liable to the state for the amount of the fee. The collection
4 provisions of chapter 82.32 RCW shall apply. The department of revenue
5 shall deposit fees collected under this section in the wood stove
6 education and enforcement account.

7 **Sec. 927.** RCW 70.105D.070 and 2001 c 27 s 2 are each amended to
8 read as follows:

9 (1) The state toxics control account and the local toxics control
10 account are hereby created in the state treasury.

11 (2) The following moneys shall be deposited into the state toxics
12 control account: (a) Those revenues which are raised by the tax
13 imposed under RCW 82.21.030 and which are attributable to that portion
14 of the rate equal to thirty-three one-hundredths of one percent; (b)
15 the costs of remedial actions recovered under this chapter or chapter
16 70.105A RCW; (c) penalties collected or recovered under this chapter;
17 and (d) any other money appropriated or transferred to the account by
18 the legislature. Moneys in the account may be used only to carry out
19 the purposes of this chapter, including but not limited to the
20 following activities:

21 (i) The state's responsibility for hazardous waste planning,
22 management, regulation, enforcement, technical assistance, and public
23 education required under chapter 70.105 RCW;

24 (ii) The state's responsibility for solid waste planning,
25 management, regulation, enforcement, technical assistance, and public
26 education required under chapter 70.95 RCW;

27 (iii) The hazardous waste cleanup program required under this
28 chapter;

29 (iv) State matching funds required under the federal cleanup law;

30 (v) Financial assistance for local programs in accordance with
31 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

32 (vi) State government programs for the safe reduction, recycling,
33 or disposal of hazardous wastes from households, small businesses, and
34 agriculture;

35 (vii) Hazardous materials emergency response training;

1 (viii) Water and environmental health protection and monitoring
2 programs;

3 (ix) Programs authorized under chapter 70.146 RCW;

4 (x) A public participation program, including regional citizen
5 advisory committees;

6 (xi) Public funding to assist potentially liable persons to pay for
7 the costs of remedial action in compliance with cleanup standards under
8 RCW 70.105D.030(2)(e) but only when the amount and terms of such
9 funding are established under a settlement agreement under RCW
10 70.105D.040(4) and when the director has found that the funding will
11 achieve both (A) a substantially more expeditious or enhanced cleanup
12 than would otherwise occur, and (B) the prevention or mitigation of
13 unfair economic hardship; and

14 (xii) Development and demonstration of alternative management
15 technologies designed to carry out the top two hazardous waste
16 management priorities of RCW 70.105.150.

17 (3) The following moneys shall be deposited into the local toxics
18 control account: Those revenues which are raised by the tax imposed
19 under RCW 82.21.030 and which are attributable to that portion of the
20 rate equal to thirty-seven one-hundredths of one percent.

21 (a) Moneys deposited in the local toxics control account shall be
22 used by the department for grants or loans to local governments for the
23 following purposes in descending order of priority: (i) Remedial
24 actions; (ii) hazardous waste plans and programs under chapter 70.105
25 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C,
26 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the
27 assessment and cleanup of sites of methamphetamine production, but not
28 to be used for the initial containment of such sites, consistent with
29 the responsibilities and intent of RCW 69.50.511; and (v) cleanup and
30 disposal of hazardous substances from abandoned or derelict vessels
31 that pose a threat to human health or the environment. For purposes of
32 this subsection (3)(a)(v), "abandoned or derelict vessels" means
33 vessels that have little or no value and either have no identified
34 owner or have an identified owner lacking financial resources to clean
35 up and dispose of the vessel. Funds for plans and programs shall be
36 allocated consistent with the priorities and matching requirements
37 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During

1 the 1999-2001 fiscal biennium, moneys in the account may also be used
2 for the following activities: Conducting a study of whether dioxins
3 occur in fertilizers, soil amendments, and soils; reviewing
4 applications for registration of fertilizers; and conducting a study of
5 plant uptake of metals. During the 2003-05 fiscal biennium, the
6 legislature may transfer from the local toxics control account to the
7 state toxics control account such amounts as specified in the omnibus
8 operating budget bill for methamphetamine lab cleanup.

9 (b) Funds may also be appropriated to the department of health to
10 implement programs to reduce testing requirements under the federal
11 safe drinking water act for public water systems. The department of
12 health shall reimburse the account from fees assessed under RCW
13 70.119A.115 by June 30, 1995.

14 (4) Except for unanticipated receipts under RCW 43.79.260 through
15 43.79.282, moneys in the state and local toxics control accounts may be
16 spent only after appropriation by statute.

17 (5) One percent of the moneys deposited into the state and local
18 toxics control accounts shall be allocated only for public
19 participation grants to persons who may be adversely affected by a
20 release or threatened release of a hazardous substance and to not-for-
21 profit public interest organizations. The primary purpose of these
22 grants is to facilitate the participation by persons and organizations
23 in the investigation and remedying of releases or threatened releases
24 of hazardous substances and to implement the state's solid and
25 hazardous waste management priorities. However, during the 1999-2001
26 fiscal biennium, funding may not be granted to entities engaged in
27 lobbying activities, and applicants may not be awarded grants if their
28 cumulative grant awards under this section exceed two hundred thousand
29 dollars. No grant may exceed sixty thousand dollars. Grants may be
30 renewed annually. Moneys appropriated for public participation from
31 either account which are not expended at the close of any biennium
32 shall revert to the state toxics control account.

33 (6) No moneys deposited into either the state or local toxics
34 control account may be used for solid waste incinerator feasibility
35 studies, construction, maintenance, or operation.

36 (7) The department shall adopt rules for grant or loan issuance and
37 performance.

1 **Sec. 928.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to
2 read as follows:

3 (1) The water quality account is hereby created in the state
4 treasury. Moneys in the account may be used only in a manner
5 consistent with this chapter. Moneys deposited in the account shall be
6 administered by the department of ecology and shall be subject to
7 legislative appropriation. Moneys placed in the account shall include
8 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
9 principal and interest from the repayment of any loans granted pursuant
10 to this chapter, and any other moneys appropriated to the account by
11 the legislature.

12 (2) The department may use or permit the use of any moneys in the
13 account to make grants or loans to public bodies, including grants to
14 public bodies as cost-sharing moneys in any case where federal, local,
15 or other funds are made available on a cost-sharing basis, for water
16 pollution control facilities and activities, or for purposes of
17 assisting a public body to obtain an ownership interest in water
18 pollution control facilities and/or to defray a part of the payments
19 made by a public body to a service provider under a service agreement
20 entered into pursuant to RCW 70.150.060, within the purposes of this
21 chapter and for related administrative expenses. For the period July
22 1, ((2001)) 2003, to June 30, ((2003)) 2005, moneys in the account may
23 be used to process applications received by the department that seek to
24 make changes to or transfer existing water rights and for grants and
25 technical assistance to public bodies for watershed planning under
26 chapter 90.82 RCW. No more than three percent of the moneys deposited
27 in the account may be used by the department to pay for the
28 administration of the grant and loan program authorized by this
29 chapter.

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

1 **Sec. 929.** RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended
2 to read as follows:

3 Within thirty days after June 30, 1987, and within thirty days
4 after each succeeding fiscal year thereafter, the state treasurer shall
5 determine the tax receipts deposited into the water quality account for
6 the preceding fiscal year. If the tax receipts deposited into the
7 account in each of the fiscal years 1988 and 1989 are less than forty
8 million dollars, the state treasurer shall transfer sufficient moneys
9 from general state revenues into the water quality account to bring the
10 total receipts in each fiscal year up to forty million dollars.

11 For the biennium ending June 30, 1991, if the tax receipts
12 deposited into the water quality account and the earnings on investment
13 of balances credited to the account are less than ninety million
14 dollars, the treasurer shall transfer sufficient moneys from general
15 state revenues into the water quality account to bring the total
16 revenue up to ninety million dollars. The determination and transfer
17 shall be made by July 31, 1991.

18 For fiscal year 1992 and for fiscal years 1995 and 1996 and
19 thereafter, if the tax receipts deposited into the water quality
20 account for each fiscal year are less than forty-five million dollars,
21 the treasurer shall transfer sufficient moneys from general state
22 revenues into the water quality account to bring the total revenue up
23 to forty-five million dollars. However, during the 2003-05 fiscal
24 biennium, the legislature may specify the transfer of a different
25 amount in the operating budget bill. Determinations and transfers
26 shall be made by July 31 for the preceding fiscal year.

27 **Sec. 930.** RCW 72.11.040 and 2001 2nd sp.s. c 7 s 919 are each
28 amended to read as follows:

29 The cost of supervision fund is created in the custody of the state
30 treasurer. All receipts from assessments made under RCW 9.94A.780 and
31 72.04A.120 shall be deposited into the fund. Expenditures from the
32 fund may be used only to support the collection of legal financial
33 obligations. During the ((2001-))2003-2005 biennium, funds from the
34 account may also be used for costs associated with the department's
35 supervision of the offenders in the community. Only the secretary of
36 the department of corrections or the secretary's designee may authorize

1 expenditures from the fund. The fund is subject to allotment
2 procedures under chapter 43.88 RCW, but no appropriation is required
3 for expenditures.

4 **Sec. 931.** RCW 76.04.630 and 1993 c 36 s 2 are each amended to read
5 as follows:

6 There is created a landowner contingency forest fire suppression
7 account in the state treasury. Moneys in the account may be spent only
8 as provided in this section. Disbursements from the account shall be
9 on authorization of the commissioner of public lands or the
10 commissioner's designee. The account is subject to the allotment
11 procedure provided under chapter 43.88 RCW, but no appropriation is
12 required for disbursements.

13 The department may expend from this account the amounts as may be
14 available and as it considers appropriate for the payment of emergency
15 fire costs resulting from a participating landowner fire. The
16 department may, when moneys are available from the landowner
17 contingency forest fire suppression account, expend moneys for
18 summarily abating, isolating, or reducing an extreme fire hazard under
19 RCW 76.04.660. All moneys recovered as a result of the department's
20 actions, from the owner or person responsible, under RCW 76.04.660
21 shall be deposited in the landowner contingency forest fire suppression
22 account.

23 When a determination is made that the fire was started by other
24 than a landowner operation, moneys expended from this account in the
25 suppression of such fire shall be recovered from the general fund
26 appropriations as may be available for emergency fire suppression
27 costs. The department shall deposit in the landowner contingency
28 forest fire suppression account moneys paid out of the account which
29 are later recovered, less reasonable costs of recovery.

30 This account shall be established and renewed by an annual special
31 forest fire suppression account assessment paid by participating
32 landowners at a rate to be established by the department. In
33 establishing assessments, the department shall seek to establish and
34 thereafter reestablish a balance in the account of three million
35 dollars. The department may establish a flat fee assessment of no more
36 than seven dollars and fifty cents for participating landowners owning

1 parcels of fifty acres or less. For participating landowners owning
2 parcels larger than fifty acres, the department may charge the flat fee
3 assessment plus a per acre assessment for every acre over fifty acres.
4 The per acre assessment established by the department may not exceed
5 fifteen cents per acre per year. The assessments may differ to
6 equitably distribute the assessment based on emergency fire suppression
7 cost experience necessitated by landowner operations. Amounts assessed
8 for this account shall be a lien upon the forest lands with respect to
9 which the assessment is made and may be collected as directed by the
10 department in the same manner as forest protection assessments.
11 Payment of emergency costs from this account shall in no way restrict
12 the right of the department to recover costs pursuant to RCW 76.04.495
13 or other laws.

14 When the department determines that a forest fire was started in
15 the course of or as a result of a landowner operation, it shall notify
16 the forest fire advisory board of the determination. The determination
17 shall be final, unless, within ninety days of the notification, the
18 forest fire advisory board or an interested party serves a request for
19 a hearing before the department. The hearing shall constitute an
20 adjudicative proceeding under chapter 34.05 RCW, the administrative
21 procedure act, and an appeal shall be in accordance with RCW 34.05.510
22 through 34.05.598.

23 During the 2003-2005 fiscal biennium, the legislature may transfer
24 from the landowner contingency forest fire suppression account to the
25 state general fund such amounts as reflect the excess fund balance of
26 the account.

27 **Sec. 932.** RCW 76.12.170 and 1988 c 128 s 36 are each amended to
28 read as follows:

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

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

1 **Sec. 933.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to
2 read as follows:

3 There is created in the state treasury a public service revolving
4 fund. Regulatory fees payable by all types of public service companies
5 shall be deposited to the credit of the public service revolving fund.
6 Except for expenses payable out of the pipeline safety account, all
7 expense of operation of the Washington utilities and transportation
8 commission shall be payable out of the public service revolving fund.

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

14 **Sec. 934.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to
15 read as follows:

16 There is created in the state treasury a special account to be
17 known as the "county sales and use tax equalization account." Into
18 this account shall be placed a portion of all motor vehicle excise tax
19 receipts as provided in RCW 82.44.110. Funds in this account shall be
20 allocated by the state treasurer according to the following procedure:

21 (1) Prior to April 1st of each year the director of revenue shall
22 inform the state treasurer of the total and the per capita levels of
23 revenues for the unincorporated area of each county and the statewide
24 weighted average per capita level of revenues for the unincorporated
25 areas of all counties imposing the sales and use tax authorized under
26 RCW 82.14.030(1) for the previous calendar year.

27 (2) At such times as distributions are made under RCW 82.44.150,
28 the state treasurer shall apportion to each county imposing the sales
29 and use tax under RCW 82.14.030(1) at the maximum rate and receiving
30 less than one hundred fifty thousand dollars from the tax for the
31 previous calendar year, an amount from the county sales and use tax
32 equalization account sufficient, when added to the amount of revenues
33 received the previous calendar year by the county, to equal one hundred
34 fifty thousand dollars.

35 The department of revenue shall establish a governmental price
36 index as provided in this subsection. The base year for the index

1 shall be the end of the third quarter of 1982. Prior to November 1,
2 1983, and prior to each November 1st thereafter, the department of
3 revenue shall establish another index figure for the third quarter of
4 that year. The department of revenue may use the implicit price
5 deflators for state and local government purchases of goods and
6 services calculated by the United States department of commerce to
7 establish the governmental price index. Beginning on January 1, 1984,
8 and each January 1st thereafter, the one hundred fifty thousand dollar
9 base figure in this subsection shall be adjusted in direct proportion
10 to the percentage change in the governmental price index from 1982
11 until the year before the adjustment. Distributions made under this
12 subsection for 1984 and thereafter shall use this adjusted base amount
13 figure.

14 (3) Subsequent to the distributions under subsection (2) of this
15 section and at such times as distributions are made under RCW
16 82.44.150, the state treasurer shall apportion to each county imposing
17 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
18 receiving less than seventy percent of the statewide weighted average
19 per capita level of revenues for the unincorporated areas of all
20 counties as determined by the department of revenue under subsection
21 (1) of this section, an amount from the county sales and use tax
22 equalization account sufficient, when added to the per capita level of
23 revenues for the unincorporated area received the previous calendar
24 year by the county, to equal seventy percent of the statewide weighted
25 average per capita level of revenues for the unincorporated areas of
26 all counties determined under subsection (1) of this section, subject
27 to reduction under subsections (6) and (7) of this section. When
28 computing distributions under this section, any distribution under
29 subsection (2) of this section shall be considered revenues received
30 from the tax imposed under RCW 82.14.030(1) for the previous calendar
31 year.

32 (4) Subsequent to the distributions under subsection (3) of this
33 section and at such times as distributions are made under RCW
34 82.44.150, the state treasurer shall apportion to each county imposing
35 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
36 receiving a distribution under subsection (2) of this section, a third
37 distribution from the county sales and use tax equalization account.

1 The distribution to each qualifying county shall be equal to the
2 distribution to the county under subsection (2) of this section,
3 subject to the reduction under subsections (6) and (7) of this section.
4 To qualify for the total distribution under this subsection, the county
5 must impose the tax under RCW 82.14.030(2) for the entire calendar
6 year. Counties imposing the tax for less than the full year shall
7 qualify for prorated allocations under this subsection proportionate to
8 the number of months of the year during which the tax is imposed.

9 (5) Subsequent to the distributions under subsection (4) of this
10 section and at such times as distributions are made under RCW
11 82.44.150, the state treasurer shall apportion to each county imposing
12 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
13 receiving a distribution under subsection (3) of this section, a fourth
14 distribution from the county sales and use tax equalization account.
15 The distribution to each qualifying county shall be equal to the
16 distribution to the county under subsection (3) of this section,
17 subject to the reduction under subsections (6) and (7) of this section.
18 To qualify for the distributions under this subsection, the county must
19 impose the tax under RCW 82.14.030(2) for the entire calendar year.
20 Counties imposing the tax for less than the full year shall qualify for
21 prorated allocations under this subsection proportionate to the number
22 of months of the year during which the tax is imposed.

23 (6) Revenues distributed under subsections (2) through (5) of this
24 section in any calendar year shall not exceed an amount equal to
25 seventy percent of the statewide weighted average per capita level of
26 revenues for the unincorporated areas of all counties during the
27 previous calendar year. If distributions under subsections (3) through
28 (5) of this section cannot be made because of this limitation, then
29 distributions under subsections (3) through (5) of this section shall
30 be reduced ratably among the qualifying counties.

31 (7) If inadequate revenues exist in the county sales and use tax
32 equalization account to make the distributions under subsections (3)
33 through (5) of this section, then the distributions under subsections
34 (3) through (5) of this section shall be reduced ratably among the
35 qualifying counties. At such time during the year as additional funds
36 accrue to the county sales and use tax equalization account, additional

1 distributions shall be made under subsections (3) through (5) of this
2 section to the counties.

3 (8) If the level of revenues in the county sales and use tax
4 equalization account exceeds the amount necessary to make the
5 distributions under subsections (2) through (5) of this section, at
6 such times as distributions are made under RCW 82.44.150, the state
7 treasurer shall apportion an amount to the county public health account
8 created in RCW 70.05.125 equal to the adjustment under RCW
9 70.05.125(2)(b).

10 (9) If the level of revenues in the county sales and use tax
11 equalization account exceeds the amount necessary to make the
12 distributions under subsections (2) through (5) and (8) of this
13 section, then the additional revenues shall be credited and transferred
14 as follows:

15 (a) Fifty percent to the public facilities construction loan
16 revolving account under RCW 43.160.080; and

17 (b) Fifty percent to the distressed county public facilities
18 construction loan account under RCW 43.160.220, or so much thereof as
19 will not cause the balance in the account to exceed twenty-five million
20 dollars. Any remaining funds shall be deposited into the public
21 facilities construction loan revolving account.

22 (10) During the 2003-2005 fiscal biennium, the legislature may
23 transfer from the county sales and use tax equalization account to the
24 state general fund such amounts as reflect the excess fund balance of
25 the account.

26 **Sec. 935.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read
27 as follows:

28 There is created in the state treasury a special account to be
29 known as the "municipal sales and use tax equalization account." Into
30 this account shall be placed such revenues as are provided under RCW
31 82.44.110(1)(e). Funds in this account shall be allocated by the state
32 treasurer according to the following procedure:

33 (1) Prior to January 1st of each year the department of revenue
34 shall determine the total and the per capita levels of revenues for
35 each city and the statewide weighted average per capita level of

1 revenues for all cities imposing the sales and use tax authorized under
2 RCW 82.14.030(1) for the previous calendar year.

3 (2) At such times as distributions are made under RCW 82.44.150,
4 the state treasurer shall apportion to each city not imposing the sales
5 and use tax under RCW 82.14.030(2) an amount from the municipal sales
6 and use tax equalization account equal to the amount distributed to the
7 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

8 (3) Subsequent to the distributions under subsection (2) of this
9 section, and at such times as distributions are made under RCW
10 82.44.150, the state treasurer shall apportion to each city imposing
11 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
12 receiving less than seventy percent of the statewide weighted average
13 per capita level of revenues for all cities as determined by the
14 department of revenue under subsection (1) of this section, an amount
15 from the municipal sales and use tax equalization account sufficient,
16 when added to the per capita level of revenues received the previous
17 calendar year by the city, to equal seventy percent of the statewide
18 weighted average per capita level of revenues for all cities determined
19 under subsection (1) of this section, subject to reduction under
20 subsection (6) of this section.

21 (4) Subsequent to the distributions under subsection (3) of this
22 section, and at such times as distributions are made under RCW
23 82.44.150, the state treasurer shall apportion to each city imposing
24 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
25 receiving a distribution under subsection (3) of this section, a third
26 distribution from the municipal sales and use tax equalization account.
27 The distribution to each qualifying city shall be equal to the
28 distribution to the city under subsection (3) of this section, subject
29 to the reduction under subsection (6) of this section. To qualify for
30 the distributions under this subsection, the city must impose the tax
31 under RCW 82.14.030(2) for the entire calendar year. Cities imposing
32 the tax for less than the full year shall qualify for prorated
33 allocations under this subsection proportionate to the number of months
34 of the year during which the tax is imposed.

35 (5) For a city with an official incorporation date after January 1,
36 1990, municipal sales and use tax equalization distributions shall be
37 made according to the procedures in this subsection. Municipal sales

1 and use tax equalization distributions to eligible new cities shall be
2 made at the same time as distributions are made under subsections (3)
3 and (4) of this section. The department of revenue shall follow the
4 estimating procedures outlined in this subsection until the new city
5 has received a full year's worth of revenues under RCW 82.14.030(1) as
6 of the January municipal sales and use tax equalization distribution.

7 (a) Whether a newly incorporated city determined to receive funds
8 under this subsection receives its first equalization payment at the
9 January, April, July, or October municipal sales and use tax
10 equalization distribution shall depend on the date the city first
11 imposes the tax authorized under RCW 82.14.030(1).

12 (i) A newly incorporated city imposing the tax authorized under RCW
13 82.14.030(1) effective as of January 1st shall be eligible to receive
14 funds under this subsection beginning with the April municipal sales
15 and use tax equalization distribution of that year.

16 (ii) A newly incorporated city imposing the tax authorized under
17 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
18 shall be eligible to receive funds under this subsection beginning with
19 the July municipal sales and use tax equalization distribution of that
20 year.

21 (iii) A newly incorporated city imposing the tax authorized under
22 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
23 be eligible to receive funds under this subsection beginning with the
24 October municipal sales and use tax equalization distribution of that
25 year.

26 (iv) A newly incorporated city imposing the tax authorized under
27 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
28 1st shall be eligible to receive funds under this subsection beginning
29 with the January municipal sales and use tax equalization distribution
30 of the next year.

31 (v) A newly incorporated city imposing the tax authorized under RCW
32 82.14.030(1) effective as of November 1st or December 1st shall be
33 eligible to receive funds under this subsection beginning with the
34 April municipal sales and use tax equalization distribution of the next
35 year.

36 (b) For purposes of calculating the amount of funds the new city
37 should receive under this subsection, the department of revenue shall:

1 (i) Estimate the per capita amount of revenues from the tax
2 authorized under RCW 82.14.030(1) that the new city would have received
3 had the city received revenues from the tax the entire calendar year;
4 (ii) Calculate the amount provided under subsection (3) of this
5 section based on the per capita revenues determined under (b)(i) of
6 this subsection;
7 (iii) Prorate the amount determined under (b)(ii) of this
8 subsection by the number of months the tax authorized under RCW
9 82.14.030(1) is imposed.

10 (c) A new city imposing the tax under RCW 82.14.030(2) at the
11 maximum rate and receiving a distribution calculated under (b) of this
12 subsection shall receive another distribution from the municipal sales
13 and use tax equalization account. This distribution shall be equal to
14 the calculation made under (b)(ii) of this subsection, prorated by the
15 number of months the city imposes the tax authorized under RCW
16 82.14.030(2) at the full rate.

17 (d) The department of revenue shall advise the state treasurer of
18 the amounts calculated under (b) and (c) of this subsection and the
19 state treasurer shall distribute these amounts to the new city from the
20 municipal sales and use tax equalization account subject to the
21 limitations imposed in subsection (6) of this section.

22 (e) Revenues estimated under this subsection shall not affect the
23 calculation of the statewide weighted average per capita level of
24 revenues for all cities made under subsection (1) of this section.

25 (6) If inadequate revenues exist in the municipal sales and use tax
26 equalization account to make the distributions under subsection (3),
27 (4), or (5) of this section, then the distributions under subsections
28 (3), (4), and (5) of this section shall be reduced ratably among the
29 qualifying cities. At such time during the year as additional funds
30 accrue to the municipal sales and use tax equalization account,
31 additional distributions shall be made under subsections (3), (4), and
32 (5) of this section to the cities.

33 (7) If the level of revenues in the municipal sales and use tax
34 equalization account exceeds the amount necessary to make the
35 distributions under subsections (2) through (5) of this section, then
36 the additional revenues shall be apportioned among the several cities
37 within the state ratably on the basis of population as last determined

1 by the office of financial management: PROVIDED, That no such
2 distribution shall be made to those cities receiving a distribution
3 under subsection (2) of this section.

4 (8) During the 2003-2005 fiscal biennium, the legislature may
5 transfer from the municipal sales and use tax equalization account to
6 the state general fund such amounts as reflect the excess fund balance
7 in the account.

8 **Sec. 936.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to
9 read as follows:

10 The flood control assistance account is hereby established in the
11 state treasury. At the beginning of the 1997-99 fiscal biennium and
12 each biennium thereafter the state treasurer shall transfer four
13 million dollars from the general fund to the flood control assistance
14 account. Moneys in the flood control assistance account may be spent
15 only after appropriation for purposes specified under this chapter
16 (~~(or, during the 1997-99 fiscal biennium, for transfer to the disaster~~
17 ~~response account)).~~ During the 2003-2005 fiscal biennium, the
18 legislature may transfer from the flood control assistance account to
19 the state general fund such amounts as reflect the excess fund balance
20 of the account.

21 NEW SECTION. **Sec. 937.** If any provision of this act or its
22 application to any person or circumstance is held invalid, the
23 remainder of the act or the application of the provision to other
24 persons or circumstances is not affected.

25 NEW SECTION. **Sec. 938.** This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of the
27 state government and its existing public institutions, and takes effect
28 immediately.

(End of part)

INDEX

PAGE #

ADMINISTRATOR FOR THE COURTS 5

ATTORNEY GENERAL 12

BELATED CLAIMS 158

BOARD FOR VOLUNTEER FIREFIGHTERS 30

BOARD OF ACCOUNTANCY 27

BOARD OF INDUSTRIAL INSURANCE APPEALS 63

BOARD OF TAX APPEALS 25

BOND EXPENSES 176

CASELOAD FORECAST COUNCIL 13

CENTRAL WASHINGTON UNIVERSITY 145

CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS 12

CIVIL LEGAL SERVICES ACCOUNT 166

COLUMBIA RIVER GORGE COMMISSION 79

COMMISSION ON AFRICAN-AMERICAN AFFAIRS 22

COMMISSION ON ASIAN-AMERICAN AFFAIRS 11

COMMISSION ON HISPANIC AFFAIRS 22

COMMISSION ON JUDICIAL CONDUCT 5

CONSERVATION COMMISSION 84

COURT OF APPEALS 5

CRIMINAL JUSTICE TRAINING COMMISSION 63

DEPARTMENT OF AGRICULTURE 90

DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT 14

 COUNTY PUBLIC HEALTH ASSISTANCE 164

DEPARTMENT OF CORRECTIONS 69, 72

DEPARTMENT OF ECOLOGY 79

DEPARTMENT OF FISH AND WILDLIFE 84

DEPARTMENT OF GENERAL ADMINISTRATION 26

DEPARTMENT OF HEALTH 67

DEPARTMENT OF INFORMATION SERVICES 26

DEPARTMENT OF LABOR AND INDUSTRIES 64

DEPARTMENT OF LICENSING 92

DEPARTMENT OF NATURAL RESOURCES 87

DEPARTMENT OF PERSONNEL 21

DEPARTMENT OF RETIREMENT SYSTEMS

 CONTRIBUTIONS TO RETIREMENT SYSTEMS 160

 OPERATIONS 22

 TRANSFERS 171

DEPARTMENT OF REVENUE	24
DEPARTMENT OF SERVICES FOR THE BLIND	76
DEPARTMENT OF SOCIAL AND HEALTH SERVICES	34
ADMINISTRATION AND SUPPORTING SERVICES PROGRAM	57
AGING AND ADULT SERVICES PROGRAM	47
ALCOHOL AND SUBSTANCE ABUSE PROGRAM	52
CHILDREN AND FAMILY SERVICES PROGRAM	34
DEVELOPMENTAL DISABILITIES PROGRAM	45
ECONOMIC SERVICES PROGRAM	50
JUVENILE REHABILITATION PROGRAM	36
MEDICAL ASSISTANCE PROGRAM	53
MENTAL HEALTH PROGRAM	40
PAYMENTS TO OTHER AGENCIES PROGRAM	59
VOCATIONAL REHABILITATION PROGRAM	57
DEPARTMENT OF VETERANS AFFAIRS	66
EASTERN WASHINGTON STATE HISTORICAL SOCIETY	153
EASTERN WASHINGTON UNIVERSITY	145
ECONOMIC AND REVENUE FORECAST COUNCIL	18
EMERGENCY FUND ALLOCATIONS	175
EMPLOYMENT SECURITY DEPARTMENT	76
ENVIRONMENTAL HEARINGS OFFICE	84
EXPENDITURE AUTHORIZATIONS	172
FORENSIC INVESTIGATION COUNCIL	28
GOVERNOR	
COMPENSATION--INSURANCE BENEFITS	158
GOVERNOR'S OFFICE OF INDIAN AFFAIRS	11
GROWTH PLANNING HEARINGS BOARD	33
HIGHER EDUCATION COORDINATING BOARD	
FINANCIAL AID AND GRANT PROGRAMS	150
POLICY COORDINATION AND ADMINISTRATION	149
HOME CARE QUALITY AUTHORITY	66
HORSE RACING COMMISSION	28
HOUSE OF REPRESENTATIVES	1
HUMAN RIGHTS COMMISSION	63
INCENTIVE SAVINGS	
FY 2004	163
FY 2005	163
INDETERMINATE SENTENCE REVIEW BOARD	66
INFORMATION SYSTEMS PROJECTS	172
INSURANCE COMMISSIONER	26

INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION	83
JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE	3
JOINT LEGISLATIVE SYSTEMS COMMITTEE	4
K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS	133
LAW LIBRARY	5
LEGISLATIVE AGENCIES	5
LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE	4
LIEUTENANT GOVERNOR	9
LIQUOR CONTROL BOARD	28
MILITARY DEPARTMENT	30
MUNICIPAL RESEARCH COUNCIL	25
OFFICE OF ADMINISTRATIVE HEARINGS	21
OFFICE OF FINANCIAL MANAGEMENT	19
CONTRIBUTIONS TO RETIREMENT SYSTEMS	161
EDUCATION TECHNOLOGY REVOLVING ACCOUNT	163
EMERGENCY FUND	157
EXTRAORDINARY CRIMINAL JUSTICE COSTS	157
FIRE CONTINGENCY POOL	156
PENSION SAVINGS	161
REVOLVING FUND ADJUSTMENTS	157
SALARY SURVEY--STATE AND HIGHER EDUCATION EMPLOYEES	158
OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES	25
OFFICE OF PUBLIC DEFENSE	7
OFFICE OF THE GOVERNOR	8
OFFICE OF THE STATE ACTUARY	4
PERSONNEL APPEALS BOARD	22
PROGRAM COST SHIFTS	175
PUBLIC DISCLOSURE COMMISSION	9
PUBLIC EMPLOYMENT RELATIONS COMMISSION	33
SALARY COST OF LIVING ADJUSTMENT	162
SECRETARY OF STATE	9
SENATE	2
SENTENCING GUIDELINES COMMISSION	76
SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE	153
STATE AUDITOR	11
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES	139
STATE BOARD OF EDUCATION	134
STATE CONVENTION AND TRADE CENTER	33
STATE HEALTH CARE AUTHORITY	59
STATE INVESTMENT BOARD	24

STATE PARKS AND RECREATION COMMISSION	82
STATE PATROL	93
STATE SCHOOL FOR THE BLIND	154
STATE SCHOOL FOR THE DEAF	154
STATE TREASURER	11
BOND RETIREMENT AND INTEREST	155, 156
COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT	168
FEDERAL REVENUES FOR DISTRIBUTION	169
MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT	168
STATE REVENUES FOR DISTRIBUTION	167
TRANSFERS	169
STATUTE LAW COMMITTEE	4
STATUTORY APPROPRIATIONS	175
SUNDRY CLAIMS	165
SUPERINTENDENT OF PUBLIC INSTRUCTION	95
BASIC EDUCATION EMPLOYEE COMPENSATION	108
EDUCATION REFORM PROGRAMS	122
EDUCATIONAL SERVICE DISTRICTS	120
ELEMENTARY AND SECONDARY SCHOOL-- IMPROVEMENT--NO CHILD LEFT BEHIND	122
GENERAL APPORTIONMENT	100
INSTITUTIONAL EDUCATION PROGRAMS	120
LEARNING ASSISTANCE PROGRAM	130
LOCAL EFFORT ASSISTANCE	120
PROGRAMS FOR HIGHLY CAPABLE STUDENTS	121
PUPIL TRANSPORTATION	113
SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS	112
SCHOOL FOOD SERVICE PROGRAMS	114
SPECIAL EDUCATION PROGRAMS	115
STUDENT ACHIEVEMENT PROGRAM	131
TRAFFIC SAFETY EDUCATION PROGRAMS	119
TRANSITIONAL BILINGUAL PROGRAMS	129
SUPREME COURT	5
THE EVERGREEN STATE COLLEGE	146
UNIVERSITY OF WASHINGTON	142
UTILITIES AND TRANSPORTATION COMMISSION	29
VIDEO TELECOMMUNICATIONS	174
VOLUNTARY RETIREMENT INCENTIVES	176
VOLUNTARY SEPARATION INCENTIVES	176
WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM	91
WASHINGTON STATE ARTS COMMISSION	153

WASHINGTON STATE HISTORICAL SOCIETY 153
WASHINGTON STATE LOTTERY 22
WASHINGTON STATE UNIVERSITY 144
WESTERN WASHINGTON UNIVERSITY 148
WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD 152"

1 Correct the title.

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