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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: H-2882.4/03 4th draft

ATTY/TYPIST: LL:ads

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 appointed by the leader of each of the two largest caucuses of the  
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.

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

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

16 (c) The committee shall conduct a series of public hearings on  
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.

23 (d) The committee shall use legislative facilities and staff from  
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

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  
15 Engrossed Substitute Senate Bill No. 5990 (financial obligations) or  
16 Engrossed Substitute Senate Bill No. 6002 (financial obligations). If  
17 neither bill is enacted by June 30, 2003, the amounts provided in this  
18 subsection shall lapse. Of the amounts provided in this subsection:

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

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

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

33 (4) \$7,641,000 of the civil legal services account--state  
34 appropriation is provided solely for civil legal services. If  
35 Substitute House Bill No. 1744 (court fees) is not enacted by June 30,  
36 2003, the amount provided in this subsection shall lapse.

1 (5) \$278,000 of the general fund--state appropriation for fiscal  
2 year 2004, \$285,000 of the general fund--state appropriation for fiscal  
3 year 2005, and \$263,000 of the public safety and education account  
4 appropriation are provided solely for the workload associated with tax  
5 warrants and other state cases filed in Thurston county.

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

20 (7) \$750,000 of the public safety and education account--state  
21 appropriation is provided solely for judicial program enhancements.  
22 Within the funding provided in this subsection, the administrator for  
23 the courts, in consultation with the supreme court, shall determine the  
24 program or programs to receive an enhancement. Among the programs that  
25 may be funded from the amount provided in this subsection are unified  
26 family courts.

27 (8) \$12,572,000 of the judicial information systems account--state  
28 appropriation is provided solely for improvements and enhancements to  
29 the judicial information system. This funding shall only be expended  
30 after the office of the administrator for the courts certifies to the  
31 office of financial management that there will be at least a \$1,000,000  
32 ending fund balance in the judicial information systems account at the  
33 end of the 2003-05 biennium.

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

35	General Fund--State Appropriation (FY 2004) . . . . .	\$666,000
36	General Fund--State Appropriation (FY 2005) . . . . .	\$884,000



1 Public Safety and Education Account--State  
2 Appropriation . . . . . \$12,609,000  
3 TOTAL APPROPRIATION . . . . . \$14,159,000

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

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

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

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

16 (4) \$50,000 of the public safety and education account--state  
17 appropriation is provided solely for the evaluation required in chapter  
18 92, Laws of 2000 (DNA testing).

19 (5) \$235,000 of the public safety and education account--state  
20 appropriation is provided solely for the office of public defense.

21 **NEW SECTION. Sec. 115. FOR THE OFFICE OF THE GOVERNOR**  
22 General Fund--State Appropriation (FY 2004) . . . . . \$4,014,000  
23 General Fund--State Appropriation (FY 2005) . . . . . \$3,917,000  
24 General Fund--Federal Appropriation . . . . . \$1,144,000  
25 Water Quality Account--State  
26 Appropriation . . . . . \$3,872,000  
27 TOTAL APPROPRIATION . . . . . \$12,947,000

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

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

34 (2) \$100,000 of the general fund--state appropriation for fiscal  
35 year 2004 is provided solely for a consultant to support the work of

1 the early learning and child care task force created in section  
2 501(1)(d) of this act.

3 NEW SECTION. **Sec. 116. FOR THE LIEUTENANT GOVERNOR**

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

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

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

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

12 General Fund--State Appropriation (FY 2004) . . . . . \$23,653,000  
13 General Fund--State Appropriation (FY 2005) . . . . . \$17,731,000  
14 General Fund--Federal Appropriation . . . . . \$6,977,000  
15 Archives and Records Management Account--State  
16 Appropriation . . . . . \$8,549,000  
17 Department of Personnel Service Account--State  
18 Appropriation . . . . . \$717,000  
19 Election Account--Federal Appropriation . . . . . \$13,121,000  
20 Local Government Archives Account--State Appropriation . . \$2,345,000  
21 TOTAL APPROPRIATION . . . . . \$73,093,000

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

24 (1) \$2,296,000 of the general fund--state appropriation for fiscal  
25 year 2004 is provided solely to reimburse counties for the state's  
26 share of primary and general election costs and the costs of conducting  
27 mandatory recounts on state measures. Counties shall be reimbursed  
28 only for those odd-year election costs that the secretary of state  
29 validates as eligible for reimbursement.

30 (2) \$1,826,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$2,686,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for the verification of initiative  
33 and referendum petitions, maintenance of related voter registration

1 records, and the publication and distribution of the voters and  
2 candidates pamphlet.

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

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

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

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

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

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

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

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

3 (5) \$867,000 of the archives and records management account--state  
4 appropriation is provided solely for operation of the central  
5 microfilming bureau under RCW 40.14.020(8). If Substitute Senate Bill  
6 No. 5274 (archives division funding) is enacted by June 30, 2003, the  
7 amounts provided in this subsection shall lapse, and the expenditures  
8 shall be made out of the imaging account.

9 (6) \$6,038,000 of the general fund--state appropriation for fiscal  
10 year 2004 is provided solely to reimburse the counties for the state's  
11 share of the cost of conducting the presidential primary.

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

16 NEW SECTION. **Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN**  
17 **AFFAIRS**

18	General Fund--State Appropriation (FY 2004) . . . . .	\$227,000
19	General Fund--State Appropriation (FY 2005) . . . . .	\$238,000
20	TOTAL APPROPRIATION . . . . .	\$465,000

21 NEW SECTION. **Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN**  
22 **AFFAIRS**

23	General Fund--State Appropriation (FY 2004) . . . . .	\$192,000
24	General Fund--State Appropriation (FY 2005) . . . . .	\$192,000
25	TOTAL APPROPRIATION . . . . .	\$384,000

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

27	State Treasurer's Service Account--State	
28	Appropriation . . . . .	\$13,215,000

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

30	General Fund--State Appropriation (FY 2004) . . . . .	\$1,310,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$1,511,000
32	State Auditing Services Revolving Account--State	
33	Appropriation . . . . .	\$12,892,000

1 TOTAL APPROPRIATION . . . . . \$15,713,000

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

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

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

19 (3) \$500,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$700,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely to implement Substitute House Bill  
22 No. 1053 (government accountability). If the bill is not enacted by  
23 June 30, 2003, the amounts provided in this subsection shall lapse.

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

26	General Fund--State Appropriation (FY 2004) . . . . .	\$80,000
27	General Fund--State Appropriation (FY 2005) . . . . .	\$154,000
28	TOTAL APPROPRIATION . . . . .	\$234,000

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

30	General Fund--State Appropriation (FY 2004) . . . . .	\$4,168,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$4,224,000
32	General Fund--Federal Appropriation . . . . .	\$2,857,000
33	Public Safety and Education Account--State	
34	Appropriation . . . . .	\$1,824,000
35	Tobacco Prevention and Control Account--State	

1	Appropriation . . . . .	\$270,000
2	New Motor Vehicle Arbitration Account--State	
3	Appropriation . . . . .	\$1,184,000
4	Legal Services Revolving Account--State	
5	Appropriation . . . . .	\$166,411,000
6	TOTAL APPROPRIATION . . . . .	\$180,938,000

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

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

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

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

31 (4) \$240,000 of the legal services revolving account--state  
32 appropriation is provided solely to implement Engrossed Substitute  
33 House Bill No. 1803 (recreation and conservation trust). If the bill  
34 is not enacted by June 30, 2003, the amount provided in this subsection  
35 shall lapse.

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

General Fund--State Appropriation (FY 2004)	\$639,000
General Fund--State Appropriation (FY 2005)	\$640,000
TOTAL APPROPRIATION	\$1,279,000

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

General Fund--State Appropriation (FY 2004)	\$59,755,000
General Fund--State Appropriation (FY 2005)	\$59,500,000
General Fund--Federal Appropriation	\$198,410,000
General Fund--Private/Local Appropriation	\$10,598,000
Public Safety and Education Account--State Appropriation	\$5,905,000
Public Works Assistance Account--State Appropriation	\$1,929,000
Building Code Council Account--State Appropriation	\$1,065,000
Administrative Contingency Account--State Appropriation	\$1,774,000
Low-Income Weatherization Assistance Account--State Appropriation	\$3,293,000
Violence Reduction and Drug Enforcement Account-- State Appropriation	\$6,048,000
Manufactured Home Installation Training Account-- State Appropriation	\$258,000
Community Economic Development Account-- State Appropriation	\$1,909,000
Washington Housing Trust Account--State Appropriation	\$16,770,000
Public Facility Construction Loan Revolving Account--State Appropriation	\$626,000
Lead Paint Account--State Appropriation	\$6,000
TOTAL APPROPRIATION	\$367,846,000

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

(1) \$2,838,000 of the general fund--state appropriation for fiscal year 2004 and \$2,838,000 of the general fund--state appropriation for

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

21 (4) \$125,000 of the general fund--state appropriation for fiscal  
22 year 2004 and \$125,000 of the general fund--state appropriation for  
23 fiscal year 2005 are provided solely for implementing the industries of  
24 the future strategy.

25 (5) \$200,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$200,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely for a contract with the Washington  
28 manufacturing services.

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

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

1 (8) \$5,085,000 of the general fund--state appropriation for fiscal  
2 year 2004, \$5,085,000 of the general fund--state appropriation for  
3 fiscal year 2005, \$4,250,000 of the general fund--federal  
4 appropriation, and \$6,145,000 of the Washington housing trust account  
5 are provided solely for providing housing and shelter for homeless  
6 people, including but not limited to grants to operate, repair, and  
7 staff shelters; grants to operate transitional housing; partial  
8 payments for rental assistance; consolidated emergency assistance;  
9 overnight youth shelters; and emergency shelter assistance.

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

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

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

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

30 (13) \$60,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$60,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for the community services block  
33 grant program for pass-through to community action agencies.

34 (14) \$26,862,000 of the general fund--state appropriation for  
35 fiscal year 2004 and \$26,862,000 of the general fund--state  
36 appropriation for fiscal year 2005 are provided solely for providing  
37 early childhood education assistance.

1 (15) Within the amounts appropriated in this section, funding is  
2 provided for Washington state dues for the Pacific northwest economic  
3 region.

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

9 (17) \$600,000 of the public safety and education account  
10 appropriation is provided solely for sexual assault prevention and  
11 treatment programs.

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

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

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

35 NEW SECTION. **Sec. 127. FOR THE ECONOMIC AND REVENUE FORECAST**

1 **COUNCIL**

2	General Fund--State Appropriation (FY 2004) . . . . .	\$518,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$519,000
4	TOTAL APPROPRIATION . . . . .	\$1,037,000

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

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

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

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

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

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

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

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

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

34 (ii) Recognizing staffing as a key component of school district  
35 costs, including the number of and compensation for certificated

1 instructional staff, certificated administrative staff, and classified  
2 staff;

3 (iii) Providing stable and predictable funding for school  
4 districts;

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

6 (v) Providing accountability for taxpayers focused on student  
7 learning outcomes;

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

9 (i) Attract and retain high performing teachers in all Washington  
10 schools;

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

13 (iii) Recognize participation in teacher mentoring programs; and

14 (iv) Recognize different career stages for teachers and the  
15 leadership roles they perform in schools;

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

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

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

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

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

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

1 (e) The steering committee shall also include eight legislators:  
2 The speaker of the house of representatives or a designee, the senate  
3 majority leader or a designee, the house of representatives and senate  
4 minority leaders or designees, and one additional member appointed by  
5 each major caucus of the house of representatives and the senate.

6 (f) The governor, or the governor's appointee, shall chair the  
7 committee.

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

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

13 (i) Legislative members of the steering committee shall be  
14 reimbursed for travel expenses as provided in RCW 44.04.120. Other  
15 members of the steering committee shall, and members of subcommittees  
16 may, be reimbursed for travel expenses as provided in RCW 43.03.050 and  
17 43.03.060.

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

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

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



1 (2) The task force shall report its findings on possible means to  
2 enhance state revenue from gaming to the senate commerce and trade  
3 committee, the senate ways and means committee, the house of  
4 representatives commerce and labor committee, the house of  
5 representatives finance committee, and the house of representatives  
6 appropriations committee by January 5, 2004.

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

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

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

19 NEW SECTION. **Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**  
20 **OPERATIONS**  
21 Dependent Care Administrative Account--State  
22 Appropriation . . . . . \$386,000  
23 Department of Retirement Systems Expense Account--  
24 State Appropriation . . . . . \$45,567,000  
25 TOTAL APPROPRIATION . . . . . \$45,953,000

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

28 (1) \$31,000 of the retirement systems expense account appropriation  
29 is provided solely to implement House Bill No. 1519 (unreduced duty  
30 death survivor benefits). If the bill is not enacted by June 30, 2003,  
31 the amount provided in this subsection shall lapse.

32 (2) \$1,678,000 of the retirement systems expense account  
33 appropriation is provided solely to implement House Bill No. 2197 (law



1 enforcement officers' and fire fighters' plan 2 board implementation).  
2 If the bill is not enacted by June 30, 2003, the amount provided in  
3 this subsection shall lapse.

4 (3) \$2,083,000 of the retirement systems expense account  
5 appropriation is provided solely for the support of the information  
6 systems project known as the electronic document image management  
7 system.

8 (4) \$124,000 of the department of retirement systems expense  
9 account--state appropriation is provided solely to implement House Bill  
10 No. 1203 (substitute employees' retirement credit). If the bill is not  
11 enacted by June 30, 2003, the amount provided in this subsection shall  
12 lapse.

13 (5) \$77,000 of the department of retirement systems expense  
14 account--state appropriation is provided solely to implement Senate  
15 Bill No. 5100 (fallen hero survivor benefits). If the bill is not  
16 enacted by June 30, 2003, the amount provided in this subsection shall  
17 lapse.

18 (6) \$21,000 of the department of retirement systems expense  
19 account--state appropriation is provided solely to implement House Bill  
20 No. 1206 (plan 3 contributions). If the bill is not enacted by June  
21 30, 2003, the amount provided in this subsection shall lapse.

22 (7) \$30,000 of the department of retirement systems expense  
23 account--state appropriation is provided solely to implement House Bill  
24 No. 1207 (employee death benefits). If the bill is not enacted by June  
25 30, 2003, the amount provided in this subsection shall lapse.

26 (8) \$324,000 of the department of retirement systems expense  
27 account--state appropriation is provided solely to implement Substitute  
28 House Bill No. 1829 (retire-rehire reform). If the bill is not enacted  
29 by June 30, 2003, the amount provided in this subsection shall lapse.

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

35 (10) \$358,000 of the department of retirement systems expense  
36 account--state appropriation is provided solely to implement Engrossed

1 Substitute House Bill No. 2180 (early retirement incentives). If the  
2 bill is not enacted by June 30, 2003, the amount provided in this  
3 subsection shall lapse.

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

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

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

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

22	General Fund--State Appropriation (FY 2004) . . . . .	\$79,688,000
23	General Fund--State Appropriation (FY 2005) . . . . .	\$79,257,000
24	Timber Tax Distribution Account--State	
25	Appropriation . . . . .	\$5,215,000
26	Waste Education/Recycling/Litter Control--State	
27	Appropriation . . . . .	\$101,000
28	State Toxics Control Account--State	
29	Appropriation . . . . .	\$67,000
30	Oil Spill Administration Account--State	
31	Appropriation . . . . .	\$14,000
32	TOTAL APPROPRIATION . . . . .	\$164,342,000

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

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

7 (2) \$104,000 of the general fund--state appropriation for fiscal  
8 year 2004 is provided solely for the implementation of Engrossed House  
9 Bill No. 2030 (B&O tax uniformity). If the bill is not enacted by June  
10 30, 2003, the amount provided in this subsection shall lapse.

11 NEW SECTION. **Sec. 138. FOR THE BOARD OF TAX APPEALS**

12	General Fund--State Appropriation (FY 2004) . . . . .	\$1,159,000
13	General Fund--State Appropriation (FY 2005) . . . . .	\$1,006,000
14	TOTAL APPROPRIATION . . . . .	\$2,165,000

15 NEW SECTION. **Sec. 139. FOR THE MUNICIPAL RESEARCH COUNCIL**

16	City and Town Research Services Account--	
17	State Appropriation . . . . .	\$3,852,000
18	County Research Services Account--State	
19	Appropriation . . . . .	\$769,000
20	TOTAL APPROPRIATION . . . . .	\$4,621,000

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

23	OMWBE Enterprises Account--State	
24	Appropriation . . . . .	\$1,994,000

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

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

29 (2) During the 2003-05 biennium, the office of minority and women's  
30 business enterprises may receive gifts, grants, or endowments from  
31 public or private sources that are made from time to time, in trust or  
32 otherwise, for the use and benefit of the purposes of the office of  
33 minority and women's business enterprises and spend gifts, grants, or

1 endowments or income from the public or private sources according to  
2 their terms, unless the receipt of the gifts, grants, or endowments  
3 violates RCW 42.17.710.

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

6 NEW SECTION. **Sec. 141. FOR THE DEPARTMENT OF GENERAL**  
7 **ADMINISTRATION**

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

14 NEW SECTION. **Sec. 142. FOR THE DEPARTMENT OF INFORMATION**  
15 **SERVICES**

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

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

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

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

27 (1) The following members of the working group shall be appointed  
28 jointly by the speaker of the house of representatives and the  
29 president of the senate, in consultation with relevant organizations:  
30 Representatives of major state corporations; small businesses; health  
31 care consumers; organized labor; health insurance carriers; and health  
32 care providers, including a hospital representative, a licensed  
33 physician, and a rural health care provider. The insurance  
34 commissioner shall serve as the cochair of the working group and shall

1 be responsible for coordinating its administrative and ministerial  
2 duties. Four members shall be selected to represent the legislature,  
3 to be chosen by each of the four caucuses. The secretary of the  
4 department of social and health services, the secretary of the  
5 department of health, and the administrator of the Washington state  
6 health care authority shall serve as ex officio members of the working  
7 group. One of the consumer representatives shall serve as the cochair  
8 of the working group, to be elected by the members of the working  
9 group.

10 (2) The health care access options working group shall examine the  
11 privately and publicly funded health care insurance system in the state  
12 of Washington and develop recommendations for its improvement.  
13 Recommendations shall address appropriate levels and delivery of health  
14 services in Washington, and access to health services in underserved  
15 areas of Washington. The working group shall examine and provide  
16 recommendations related to the extent to which employees of large and  
17 small employers are electing to enroll in the basic health plan or the  
18 medicaid program rather than employer sponsored health insurance,  
19 thereby contributing to increases in state health care costs. In  
20 preparing its recommendations the working group shall: Review health  
21 insurance laws in other states that are providing greater choice, have  
22 more insurance carriers offering health insurance, and greater price  
23 flexibility as compared to Washington state; seek input from a broad  
24 range of health care stakeholders and the public; seek grant funds for  
25 a community meeting process, and coordinate its efforts with similar  
26 ongoing community processes; and review the recommendations of previous  
27 health care system analyses. The working group shall report its  
28 findings and recommendations to the legislature and the governor no  
29 later than January 1, 2005.

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

31 Certified Public Accountants' Account--State  
32 Appropriation . . . . . \$1,895,000

33 The appropriation in this section is subject to the following  
34 conditions and limitations: \$260,000 of the certified public  
35 accountants' account appropriation is provided solely for the

1 implementation of Substitute House Bill No. 1211 (public accountancy  
2 act). If the bill is not enacted by June 30, 2003, this amount shall  
3 lapse.

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

5 Death Investigations Account--State

6 Appropriation . . . . . \$274,000

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

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

16 Horse Racing Commission Account--State

17 Appropriation . . . . . \$4,621,000

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

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

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

21 Liquor Control Board Construction and Maintenance

22 Account--State Appropriation . . . . . \$5,717,000

23 Liquor Revolving Account--State

24 Appropriation . . . . . \$134,274,000

25 TOTAL APPROPRIATION . . . . . \$142,910,000

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

28 (1) \$2,000,000 of the liquor revolving account appropriation is  
29 provided solely for the costs associated with the completion of the  
30 merchandising business system. Actual expenditures are limited to the  
31 balance of funds remaining from the \$4,803,000 appropriation provided  
32 for the merchandise business system in the 2001-03 budget.

33 (2) \$1,309,000 of the liquor revolving account appropriation is

1 provided solely for the costs associated with purchasing merchandise  
2 business system software and hardware-related items, and hiring system-  
3 related staff.

4 NEW SECTION. **Sec. 148. FOR THE UTILITIES AND TRANSPORTATION**  
5 **COMMISSION**

6	Public Service Revolving Account--State	
7	Appropriation . . . . .	\$26,611,000
8	Pipeline Safety Account--State	
9	Appropriation . . . . .	\$2,809,000
10	Pipeline Safety Account--Federal	
11	Appropriation . . . . .	\$1,084,000
12	TOTAL APPROPRIATION . . . . .	\$30,504,000

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

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

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

21 (3) \$135,000 of the public services revolving account appropriation  
22 and \$15,000 of the pipeline safety account--state appropriation are  
23 provided solely for the implementation of the commission's financial  
24 systems project. If final approval for the project is not granted by  
25 the office of financial management, the amounts provided in this  
26 subsection shall lapse.

27 (4) \$200,000 of the public services revolving account appropriation  
28 is provided solely for an interagency transfer to the joint legislative  
29 audit and review committee for the implementation of Substitute House  
30 Bill No. 1013 (UTC performance audit). If the bill is not enacted by  
31 June 30, 2003, the amount provided in this subsection shall lapse.

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

33	Volunteer Firefighters' Relief and Pension	
34	Administrative Account--State	
35	Appropriation . . . . .	\$699,000

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

2	General Fund--State Appropriation (FY 2004) . . . . .	\$8,581,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$8,318,000
4	General Fund--Federal Appropriation . . . . .	\$82,112,000
5	General Fund--Private/Local Appropriation . . . . .	\$371,000
6	Enhanced 911 Account--State Appropriation . . . . .	\$33,959,000
7	Disaster Response Account--State Appropriation . . . . .	\$190,000
8	Worker and Community Right to Know Fund--State	
9	Appropriation . . . . .	\$290,000
10	Nisqually Earthquake Account--State	
11	Appropriation . . . . .	\$13,129,000
12	Nisqually Earthquake Account--Federal	
13	Appropriation . . . . .	\$48,726,000
14	TOTAL APPROPRIATION . . . . .	\$195,676,000

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

17            (1) \$100,000 of the general fund--state fiscal year 2004  
18 appropriation and \$100,000 of the general fund--state fiscal year 2005  
19 appropriation are provided solely for implementation of the conditional  
20 scholarship program pursuant to chapter 28B.103 RCW.

21            (2) \$35,000 of the general fund--state fiscal year 2004  
22 appropriation and \$35,000 of the general fund--state fiscal year 2005  
23 appropriation are provided solely for the north county emergency  
24 medical service.

25            (3) \$190,000 of the disaster response account--state appropriation  
26 is provided solely to develop and implement a disaster grant management  
27 system. The military department shall also submit a report quarterly  
28 to the office of financial management and the legislative fiscal  
29 committees detailing information on the disaster response account,  
30 including: (a) The amount and type of deposits into the account; (b)  
31 the current available fund balance as of the reporting date; and (c)  
32 the projected fund balance at the end of the 2003-05 biennium based on  
33 current revenue and expenditure patterns.

34            (4) \$10,129,000 of the Nisqually earthquake account--state  
35 appropriation and \$48,726,000 of the Nisqually earthquake account--  
36 federal appropriation are provided solely for response and recovery  
37 costs associated with the February 28, 2001, earthquake. The military



1 department shall submit a report quarterly to the office of financial  
2 management and the legislative fiscal committees detailing earthquake  
3 recovery costs, including: (a) Estimates of total costs; (b)  
4 incremental changes from the previous estimate; (c) actual  
5 expenditures; (d) estimates of total remaining costs to be paid; and  
6 (e) estimates of future payments by biennium. This information shall  
7 be displayed by fund, by type of assistance, and by amount paid on  
8 behalf of state agencies or local organizations. The military  
9 department shall also submit a report quarterly to the office of  
10 financial management and the legislative fiscal committees detailing  
11 information on the Nisqually earthquake account, including: (a) The  
12 amount and type of deposits into the account; (b) the current available  
13 fund balance as of the reporting date; and (c) the projected fund  
14 balance at the end of the 2003-05 biennium based on current revenue and  
15 expenditure patterns.

16 (5) \$3,000,000 of the Nisqually earthquake account--state  
17 appropriation is provided solely to cover other response and recovery  
18 costs associated with the Nisqually earthquake that are not eligible  
19 for federal emergency management agency reimbursement. Prior to  
20 expending funds provided in this subsection, the military department  
21 shall obtain prior approval of the director of financial management.  
22 Prior to approving any single project of over \$1,000,000, the office of  
23 financial management shall notify the fiscal committees of the  
24 legislature. The military department is to submit a quarterly report  
25 detailing the costs authorized under this subsection to the office of  
26 financial management and the legislative fiscal committees.

27 (6) \$200,000 of the general fund--state appropriation for fiscal  
28 year 2004 and \$53,555,000 of the general fund--federal appropriation  
29 are provided solely for homeland security, to be distributed as  
30 follows:

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

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

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

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

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

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

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

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

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

31 NEW SECTION. **Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS**  
32 **COMMISSION**

33	General Fund--State Appropriation (FY 2004) . . . . .	\$2,381,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$2,415,000
35	Department of Personnel Service Account--State	
36	Appropriation . . . . .	\$2,545,000

1 TOTAL APPROPRIATION . . . . . \$7,341,000

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

3 General Fund--State Appropriation (FY 2004) . . . . . \$1,572,000

4 General Fund--State Appropriation (FY 2005) . . . . . \$1,508,000

5 TOTAL APPROPRIATION . . . . . \$3,080,000

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

7 State Convention and Trade Center Operating

8 Account--State Appropriation . . . . . \$40,705,000

9 State Convention and Trade Center Account--State

10 Appropriation . . . . . \$31,037,000

11 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) \$6,092,000 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) . . . . .	\$544,081,000
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1	General Fund--State Appropriation (FY 2005) . . . . .	\$556,378,000
2	General Fund--Federal Appropriation . . . . .	\$1,136,001,000
3	General Fund--Private/Local Appropriation . . . . .	\$18,644,000
4	Health Services Account--State	
5	Appropriation . . . . .	\$4,888,000
6	TOTAL APPROPRIATION . . . . .	\$2,259,992,000

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 providers serving a  
20 disproportionate share of low-income and uninsured patients. For  
21 purposes of this subsection, providers may include, but are not limited  
22 to, hospitals, physicians, and transportation providers. In developing  
23 a methodology for distributing grants to hospitals, the department may  
24 consider relative net financial margins of hospitals.

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

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

32 (13) \$156,000 of the general fund--state appropriation for fiscal  
33 year 2004 and \$1,403,000 of the general fund--federal appropriation are  
34 provided solely for a study to assess alternatives for replacing the  
35 existing medicaid management information system. The department shall  
36 report to the information services board and to the fiscal committees

1 of the legislature by December 1, 2003, on the anticipated costs and  
2 benefits of the major alternative approaches.

3 (14) The department is authorized to develop an integrated health  
4 care program designed to slow the progression of illness and disability  
5 and better manage medicaid expenditures for the aged and disabled  
6 population. In accordance with the Washington medicaid integration  
7 partnership (WMIP) the department may combine and transfer such  
8 medicaid funds (including medical, long-term care, mental health and  
9 substance abuse treatment) as may be necessary to finance a unified  
10 health care plan for the WMIP program enrollment. The state may  
11 withhold from calculations of "available resources" as defined in RCW  
12 71.24.025 a sum equal to the capitated rate for individuals enrolled in  
13 this pilot.

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

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

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

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

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

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

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

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

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

33	General Fund--State Appropriation (FY 2004) . . . . .	\$58,421,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$123,806,000
35	General Fund--Federal Appropriation . . . . .	\$170,419,000

1 General Fund--Private/Local Appropriation . . . . . \$810,000  
2 TOTAL APPROPRIATION . . . . . \$353,456,000

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

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

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

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

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

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

1 funds from the appropriation to authorize a contract for assistance.  
2 These recommendations will be included in the report provided in (e) of  
3 this subsection.

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

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

16 (g) The department shall consult with the city of Shoreline on the  
17 development of a master plan for the Fircrest property.

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

24 (3) \$32,420,000 of the general fund--state appropriation for fiscal  
25 year 2004, \$66,138,000 of the general fund--state appropriation for  
26 fiscal year 2005, and \$96,118,000 of the general fund--federal  
27 appropriation are provided solely for the purposes of implementing the  
28 collective bargaining agreement between the home care quality authority  
29 and the exclusive bargaining representative of individual providers.  
30 These funds may be transferred from the administration and supporting  
31 services program to various other programs within the department or to  
32 other agencies to implement the collective bargaining agreement.

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

35	General Fund--State Appropriation (FY 2004) . . . . .	\$43,882,000
36	General Fund--State Appropriation (FY 2005) . . . . .	\$43,882,000

1 General Fund--Federal Appropriation . . . . . \$43,674,000  
 2 TOTAL APPROPRIATION . . . . . \$131,438,000

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

4 General Fund--State Appropriation (FY 2004) . . . . . \$39,000  
 5 General Fund--State Appropriation (FY 2005) . . . . . \$37,000  
 6 State Health Care Authority Administrative  
 7 Account--State Appropriation . . . . . \$18,273,000  
 8 Health Services Account--State Appropriation . . . . . \$427,663,000  
 9 General Fund--Federal Appropriation . . . . . \$2,711,000  
 10 TOTAL APPROPRIATION . . . . . \$448,723,000

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

13 (1) \$6,000,000 of the health services account--state appropriation  
 14 is provided solely to increase the number of persons not eligible for  
 15 medicaid receiving dental care from nonprofit community clinics, and  
 16 for interpreter services to support dental and medical services for  
 17 persons for whom interpreters are not available from any other source.

18 (2) \$172,231,000 of the health services account--state  
 19 appropriation is provided solely for expenditure in calendar year 2004  
 20 and \$96,292,000 of the health services account--state appropriation is  
 21 provided solely for expenditure in calendar year 2005 to subsidize  
 22 enrollment for persons in the basic health plan. In order to maximize  
 23 the number of enrollees that the appropriation in the subsection can  
 24 support, the health care authority is directed to make modifications in  
 25 the basic health plan that will reduce the actuarial value of basic  
 26 health plan coverage. Modifications may include changes in enrollee  
 27 premium obligations, enrollee cost-sharing, benefits, and incentives to  
 28 access preventive services. The health care authority shall base its  
 29 enrollment policies during the 2003-2005 biennium on its September 6,  
 30 2001, administrative policy on basic health enrollment management.

31 (3) Within funds appropriated in this section and sections 205 and  
 32 206 of this act, the health care authority shall continue to provide an  
 33 enhanced basic health plan subsidy for foster parents licensed under  
 34 chapter 74.15 RCW and workers in state-funded home care programs.  
 35 Under this enhanced subsidy option, foster parents and home care

1 workers with family incomes below 200 percent of the federal poverty  
2 level shall be allowed to enroll in the basic health plan at a cost of  
3 ten dollars per covered worker per month.

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

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

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

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

36 (6) Upon enactment of Engrossed Substitute House Bill No. 1299  
37 (state purchased health care) during the 2003 legislative session, the

1 administrator, in coordination with the department of social and health  
2 services and the department of labor and industries shall undertake an  
3 evidence-based review and assessment of the effectiveness of spinal  
4 cord stimulators and drug infusion pumps. In performing the  
5 assessment, the administrator and the departments shall consider the  
6 best available external clinical evidence derived from systematic  
7 research, and relevant coverage criteria and standards adopted by other  
8 federal and state health care programs.

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

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

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

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

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

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

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

34 (i) Improve core services, including: Improving timeliness of  
35 claims processing and responses to provider inquiries; improving  
36 distribution of medical assistance program fee schedules; and clearly



1 defining and communicating scope of coverage under managed care  
2 contracts;

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

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

11 (iv) Increase consistency with national and regional standards,  
12 including: Eliminating "local" billing codes wherever possible;  
13 adopting medicare's ambulatory patient classification system for  
14 outpatient hospital payments; and increasing the extent to which state  
15 agencies accept compliance with standards adopted by national managed  
16 care accreditation organizations as meeting agency requirements for  
17 managed care contractors; and

18 (v) Standardize similarities between agencies, including applying  
19 codes consistently across state-purchased health care programs;  
20 eliminating burdensome data collection by having state agencies collect  
21 data that is available from other state agencies; coordinating audits  
22 by state agencies; and standardizing definitions and interpretations of  
23 services.

24 (9) \$39,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$37,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely for administrative costs  
27 associated with providing health insurance coverage to state-funded  
28 individual providers through the basic health plan or an equivalent  
29 health plan determined by the terms of the collective bargaining  
30 agreement between the home care quality authority and the exclusive  
31 bargaining representative of individual providers. If an equivalent  
32 health plan is purchased under the terms of the collective bargaining  
33 agreement, the health care authority shall transfer the funds in this  
34 appropriation to the department of social and health services.

35 NEW SECTION. **Sec. 214. FOR THE HUMAN RIGHTS COMMISSION**  
36 General Fund--State Appropriation (FY 2004) . . . . . \$2,408,000

1	General Fund--State Appropriation (FY 2005) . . . . .	\$2,447,000
2	General Fund--Federal Appropriation . . . . .	\$1,523,000
3	General Fund--Private/Local Appropriation . . . . .	\$100,000
4	TOTAL APPROPRIATION . . . . .	\$6,478,000

5        NEW SECTION.    **Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE**  
6        **APPEALS**

7	Worker and Community Right-to-Know Account--State	
8	Appropriation . . . . .	\$20,000
9	Accident Account--State Appropriation . . . . .	\$15,129,000
10	Medical Aid Account--State Appropriation . . . . .	\$15,128,000
11	TOTAL APPROPRIATION . . . . .	\$30,277,000

12        NEW SECTION.    **Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING**  
13        **COMMISSION**

14	Municipal Criminal Justice Assistance Account--	
15	Local Appropriation . . . . .	\$460,000
16	Death Investigations Account--State	
17	Appropriation . . . . .	\$148,000
18	Public Safety and Education Account--State	
19	Appropriation . . . . .	\$17,869,000
20	TOTAL APPROPRIATION . . . . .	\$18,477,000

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

23        (1) \$124,000 of the public safety and education account  
24        appropriation is provided solely to allow the Washington association of  
25        sheriffs and police chiefs to increase the technical and training  
26        support provided to the local criminal justice agencies on the new  
27        incident-based reporting system and the national incident-based  
28        reporting system.

29        (2) \$136,000 of the public safety and education account  
30        appropriation is provided solely to allow the Washington association of  
31        prosecuting attorneys to enhance the training provided to criminal  
32        justice personnel.

33        (3) \$6,000 of the public safety and education account appropriation  
34        is provided solely to increase payment rates for the criminal justice  
35        training commission's contracted food service provider.

1 (4) \$9,000 of the public safety and education account appropriation  
2 is provided solely to increase payment rates for the criminal justice  
3 training commission's contract with the Washington association of  
4 sheriffs and police chiefs.

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

9 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF LABOR AND**  
10 **INDUSTRIES**

11	General Fund--State Appropriation (FY 2004) . . . . .	\$5,940,000
12	General Fund--State Appropriation (FY 2005) . . . . .	\$5,938,000
13	Public Safety and Education Account--State	
14	Appropriation . . . . .	\$22,429,000
15	Public Safety and Education Account--Federal	
16	Appropriation . . . . .	\$8,462,000
17	Asbestos Account--State Appropriation . . . . .	\$693,000
18	Electrical License Account--State	
19	Appropriation . . . . .	\$29,047,000
20	Farm Labor Revolving Account--Private/Local	
21	Appropriation . . . . .	\$28,000
22	Worker and Community Right-to-Know Account--State	
23	Appropriation . . . . .	\$2,548,000
24	Public Works Administration Account--State	
25	Appropriation . . . . .	\$2,435,000
26	Accident Account--State Appropriation . . . . .	\$189,453,000
27	Accident Account--Federal Appropriation . . . . .	\$13,398,000
28	Medical Aid Account--State Appropriation . . . . .	\$188,487,000
29	Medical Aid Account--Federal Appropriation . . . . .	\$2,962,000
30	Plumbing Certificate Account--State	
31	Appropriation . . . . .	\$1,461,000
32	Pressure Systems Safety Account--State	
33	Appropriation . . . . .	\$2,815,000
34	TOTAL APPROPRIATION . . . . .	\$476,096,000

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

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

12 (2) \$100,000 of the medical aid account--state appropriation is  
13 provided solely to implement House Bill No. 2122 (state purchased  
14 health care). If the bill is not enacted by June 30, 2003, the amount  
15 provided in this subsection shall lapse.

16 (3) \$90,000 of the electrical license account--state appropriation  
17 and \$206,000 of the plumbing certificate account--state appropriation  
18 are provided solely to implement Engrossed Substitute Senate Bill No.  
19 5713 (electrical contractors). If the bill is not enacted by June 30,  
20 2003, the amounts provided in this subsection shall lapse.

21 (4) \$314,000 of the accident account--state appropriation and  
22 \$56,000 of the medical aid account--state appropriation are provided  
23 solely to implement Second Substitute Senate Bill No. 5890  
24 (agricultural workers). If the bill is not enacted by June 30, 2003,  
25 the amounts provided in this subsection shall lapse.

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

28	General Fund--State Appropriation (FY 2004) . . . . .	\$989,000
29	General Fund--State Appropriation (FY 2005) . . . . .	\$989,000
30	TOTAL APPROPRIATION . . . . .	\$1,978,000

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

32 (1) HEADQUARTERS

33	General Fund--State Appropriation (FY 2004) . . . . .	\$1,563,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$1,564,000
35	Charitable, Educational, Penal, and Reformatory	

1	Institutions Account--State	
2	Appropriation . . . . .	\$11,000
3	TOTAL APPROPRIATION . . . . .	\$3,138,000

4	(2) FIELD SERVICES	
5	General Fund--State Appropriation (FY 2004) . . . . .	\$2,605,000
6	General Fund--State Appropriation (FY 2005) . . . . .	\$2,630,000
7	General Fund--Federal Appropriation . . . . .	\$309,000
8	General Fund--Private/Local Appropriation . . . . .	\$1,670,000
9	TOTAL APPROPRIATION . . . . .	\$7,214,000

10	(3) INSTITUTIONAL SERVICES	
11	General Fund--State Appropriation (FY 2004) . . . . .	\$7,500,000
12	General Fund--State Appropriation (FY 2005) . . . . .	\$5,918,000
13	General Fund--Federal Appropriation . . . . .	\$27,336,000
14	General Fund--Private/Local Appropriation . . . . .	\$27,934,000
15	TOTAL APPROPRIATION . . . . .	\$68,688,000

16	<u>NEW SECTION.</u> <b>Sec. 220. FOR THE HOME CARE QUALITY AUTHORITY</b>	
17	General Fund--State Appropriation (FY 2004) . . . . .	\$472,000
18	General Fund--State Appropriation (FY 2005) . . . . .	\$427,000
19	TOTAL APPROPRIATION . . . . .	\$899,000

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

22 (1) \$150,000 of the general fund--state appropriation for fiscal  
23 year 2004 is provided solely for the design and development of the home  
24 care provider registry mandated by Initiative Measure No. 775.

25 (2) \$67,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$175,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely for costs associated with ongoing  
28 administrative, labor, and employment relations costs determined by the  
29 terms of the collective bargaining agreement between the home care  
30 quality authority and the exclusive bargaining representative of  
31 individual providers.

32	<u>NEW SECTION.</u> <b>Sec. 221. FOR THE DEPARTMENT OF HEALTH</b>	
33	General Fund--State Appropriation (FY 2004) . . . . .	\$61,098,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$63,290,000

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

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

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

36       (2) \$1,675,000 of the general fund--state fiscal year 2004  
37 appropriation and \$1,676,000 of the general fund--state fiscal year

1 2005 appropriation are provided solely for the implementation of the  
2 Puget Sound water work plan and agency action items, DOH-01, DOH-02,  
3 DOH-03, and DOH-04.

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

20 (4) \$21,650,000 of the health services account--state appropriation  
21 is provided solely for the state's program of universal access to  
22 essential childhood vaccines. The department shall utilize all  
23 available federal funding before expenditure of these funds.

24 (5) \$2,984,000 of the general fund--local appropriation is provided  
25 solely for development and implementation of an internet-based system  
26 for preparing and retrieving death certificates as provided in  
27 Substitute Senate Bill No. 5545. If Substitute Senate Bill No. 5545 is  
28 not enacted by June 30, 2003, the amount provided in this subsection  
29 shall lapse.

30 (6) The appropriations in this section assume a reduction in the  
31 level of state funding to the AIDSNETs. In implementing this  
32 reduction, the department will direct that administrative efficiencies  
33 will be implemented before reductions to direct services.

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

35 (1) ADMINISTRATION AND SUPPORT SERVICES

36 General Fund--State Appropriation (FY 2004) . . . . . \$38,883,000

1 General Fund--State Appropriation (FY 2005) . . . . . \$35,891,000  
 2 Public Safety and Education Account--State  
 3     Appropriation . . . . . \$3,665,000  
 4 Violence Reduction and Drug Enforcement  
 5     Account Appropriation . . . . . \$26,000  
 6         TOTAL APPROPRIATION . . . . . \$78,465,000

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

13         (2) CORRECTIONAL OPERATIONS

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

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

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

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

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



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

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

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

23 (3) COMMUNITY SUPERVISION

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

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

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

36 (b) \$75,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$75,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the department of corrections  
2 to contract with the institute for public policy for responsibilities  
3 assigned in chapter 196, Laws of 1999 (offender accountability act) and  
4 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender  
5 sentencing).

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

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

16 (4) CORRECTIONAL INDUSTRIES

17	General Fund--State Appropriation (FY 2004) . . . . .	\$642,000
18	General Fund--State Appropriation (FY 2005) . . . . .	\$642,000
19	TOTAL APPROPRIATION . . . . .	\$1,284,000

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

29 (5) INTERAGENCY PAYMENTS

30	General Fund--State Appropriation (FY 2004) . . . . .	\$27,951,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$27,986,000
32	TOTAL APPROPRIATION . . . . .	\$55,937,000

33 **Sec. 223.** 2003 c 10 s 218 (uncodified) is amended to read as  
34 follows:

35 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the

1 department of corrections in this act shall be expended for the  
 2 programs and in the amounts specified herein. However, after May 1,  
 3 2003, after approval by the director of financial management and unless  
 4 specifically prohibited by this act, the department may transfer  
 5 general fund--state appropriations for fiscal year 2003 between  
 6 programs. The director of financial management shall notify the  
 7 appropriate fiscal committees of the senate and house of  
 8 representatives in writing prior to approving any deviations from  
 9 appropriation levels.

10 (1) ADMINISTRATION AND SUPPORT SERVICES

11	General Fund--State Appropriation (FY 2002) . . . . .	\$36,786,000
12	General Fund--State Appropriation (FY 2003) . . . . .	<del>((36,239,000))</del>
13		<u>\$32,989,000</u>
14	Public Safety and Education Account--State	
15	Appropriation . . . . .	\$1,576,000
16	Violence Reduction and Drug Enforcement	
17	Account Appropriation . . . . .	\$3,254,000
18	TOTAL APPROPRIATION . . . . .	<del>((77,855,000))</del>
19		<u>\$74,605,000</u>

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

- 30 (a) Include a description of any changes to the replacement  
 31 project;
- 32 (b) Provide the estimated costs for each component in the 2001-03  
 33 and subsequent biennia;
- 34 (c) Include a schedule that provides the time estimated to complete  
 35 changes to each component of the replacement project; and
- 36 (d) Be provided to the office of financial management, the

1 department of information services, the information services board, and  
2 the staff of the fiscal committees of the senate and the house of  
3 representatives no later than November 1, 2002.

4 (2) CORRECTIONAL OPERATIONS

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

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

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

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

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

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

33 (e) During the 2001-03 biennium, when contracts are established or  
34 renewed for offender pay phone and other telephone services provided to  
35 inmates, the department shall select the contractor or contractors  
36 primarily based on the following factors: (i) The lowest rate charged  
37 to both the inmate and the person paying for the telephone call; and

1 (ii) the lowest commission rates paid to the department, while  
2 providing reasonable compensation to cover the costs of the department  
3 to provide the telephone services to inmates and provide sufficient  
4 revenues for the activities funded from the institutional welfare  
5 betterment account.

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

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

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

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

28 (3) COMMUNITY SUPERVISION

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

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

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

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

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

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

23 (4) CORRECTIONAL INDUSTRIES

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

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

36 (5) INTERAGENCY PAYMENTS



1 labor committee, appointed by the speaker of the house of  
2 representatives;

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

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

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

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

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

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

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

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

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

36 (4) The manufacturing advisory partnership, with the assistance of



1 the employment security department, shall also study and make findings  
2 and recommendations related to the following aspects of Washington's  
3 manufacturing sector:

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

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

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

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

12 (e) Other issues identified by the partnership.

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

17 (6) Legislative members of the manufacturing advisory partnership  
18 shall be reimbursed for travel expenses in accordance with RCW  
19 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	Water Pollution Control Revolving Account--	
2	Federal Appropriation . . . . .	\$1,879,000
3	Vessel Response Account Appropriation . . . . .	\$3,000,000
4	TOTAL APPROPRIATION . . . . .	\$308,186,000

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

7 (1) \$2,757,696 of the general fund--state appropriation for fiscal  
8 year 2004, \$2,757,696 of the general fund--state appropriation for  
9 fiscal year 2005, \$394,000 of the general fund--federal appropriation,  
10 \$2,581,000 of the state toxics account--state appropriation, \$217,830  
11 of the water quality account--state appropriation, \$322,976 of the  
12 state drought preparedness account--state appropriation, \$3,748,220 of  
13 the water quality permit account--state appropriation, and \$704,942 of  
14 the oil spill prevention account are provided solely for the  
15 implementation of the Puget Sound work plan and agency action items  
16 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

17 (2) \$4,059,000 of the state toxics control account appropriation is  
18 provided solely for methamphetamine lab clean-up activities.

19 (3) \$170,000 of the oil spill prevention account appropriation is  
20 provided solely for implementation of the Puget Sound work plan action  
21 item UW-02 through a contract with the University of Washington's sea  
22 grant program to develop an educational program targeted to small  
23 spills from commercial fishing vessels, ferries, cruise ships, ports,  
24 and marinas.

25 (4) \$1,000,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$1,000,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely for shoreline grants to local  
28 governments as required by the shoreline settlement agreement.

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

32 (6) \$200,000 of the water quality account--state appropriation is  
33 provided solely for the department to contract with Washington State  
34 University cooperative extension program to provide statewide  
35 coordination and support for coordinated resource management.

36 (7) \$300,000 of the state toxics control account appropriation is  
37 provided solely to implement the department's persistent

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	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  
 8 effective January 1, 2004, for the 2003-04 school year and January 1,  
 9 2005, for the 2004-05 school year as follows:

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

15 (2) \$143,336,000 is provided for adjustments to insurance benefit  
 16 allocations. The maintenance rate for insurance benefit allocations is  
 17 \$457.07 per month for the 2003-04 and 2004-05 school years. The  
 18 appropriations in this section provide for a rate increase to \$496.69  
 19 per month for the 2003-04 school year and \$584.69 per month for the  
 20 2004-05 school year at the following rates:

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

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

27 **NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC**

1 **INSTRUCTION--FOR PUPIL TRANSPORTATION**

2	General Fund--State Appropriation (FY 2004) . . . . .	\$209,708,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$212,893,000
4	TOTAL APPROPRIATION . . . . .	\$422,601,000

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

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

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

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

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

35 NEW SECTION. **Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC**

1 **INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS**

2	General Fund--State Appropriation (FY 2004) . . . . .	\$3,100,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$3,100,000
4	General Fund--Federal Appropriation . . . . .	\$272,069,000
5	TOTAL APPROPRIATION . . . . .	\$278,269,000

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

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

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

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

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

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

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

32 (2)(a) The superintendent of public instruction shall use the  
33 excess cost methodology developed and implemented for the 2001-02  
34 school year using the S-275 personnel reporting system and all related  
35 accounting requirements to ensure that:

36 (i) Special education students are basic education students first;

1 (ii) As a class, special education students are entitled to the  
2 full basic education allocation; and

3 (iii) Special education students are basic education students for  
4 the entire school day.

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

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

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

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

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

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

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

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

36 (a) "Annual average full-time equivalent basic education  
37 enrollment" means the resident enrollment including students enrolled

1 through choice (RCW 28A.225.225) and students from nonhigh districts  
2 (RCW 28A.225.210) and excluding students residing in another district  
3 enrolled as part of an interdistrict cooperative program (RCW  
4 28A.225.250).

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

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

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

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

32 (a) The committee shall consider unmet needs for districts that can  
33 convincingly demonstrate that all legitimate expenditures for special  
34 education exceed all available revenues from state funding formulas.  
35 In the determination of need, the committee shall also consider  
36 additional available revenues from federal and local sources.



1 Differences in program costs attributable to district philosophy,  
2 service delivery choice, or accounting practices are not a legitimate  
3 basis for safety net awards.

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

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

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

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

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

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

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

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

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

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

35 (12) \$1,000,000 of the general fund--federal appropriation is  
36 provided for projects to provide special education students with  
37 appropriate job and independent living skills, including work

1 experience where possible, to facilitate their successful transition  
2 out of the public school system. The funds provided by this subsection  
3 shall be from federal discretionary grants.

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

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

18 (15) A school district may carry over from one year to the next  
19 year up to 10 percent of 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

NEW SECTION. **Sec. 601.** The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 603 through 609 of this act.

(2)(a) The salary increases provided or referenced in this subsection shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

(b) Each institution of higher education shall provide to each classified staff employee as defined by the office of financial management, except for classified staff at the technical colleges, a salary increase of 2.0 percent on September 1, 2004. The technical colleges shall provide to classified employees under chapter 41.56 RCW an average salary increase of 2.0 percent on January 1, 2004, and 1.9 percent on January 1, 2005.

(c) Each institution of higher education, except for the community and technical colleges, shall provide to state-funded instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants as classified by the office of financial management, and all other state-funded nonclassified staff, including those employees under RCW 28B.16.015, an average salary increase of 2.0 percent on September 1, 2004.

(d) The community and technical colleges shall provide to state-funded academic employees, as defined in RCW 28B.52.020 pursuant to the provisions of Initiative Measure No. 732, an average salary increase of 2.0 percent on January 1, 2004, and 1.9 percent on January 1, 2005.

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 (f) The tuition increases adopted under (c) of this subsection need  
36 not apply uniformly across student categories as defined in chapter  
37 28B.15 RCW.

1 (4) In addition to waivers granted under the authority of RCW  
2 28B.15.910, the governing boards and the state board may waive all or  
3 a portion of operating fees for any student. State general fund  
4 appropriations shall not be provided to replace tuition and fee revenue  
5 foregone as a result of waivers granted under this subsection.

6 (5) Pursuant to RCW 43.135.055, institutions of higher education  
7 receiving appropriations under sections 603 through 609 of this act are  
8 authorized to increase summer term tuition in excess of the fiscal  
9 growth factor during the 2003-05 biennium. Tuition levels increased  
10 pursuant to this subsection shall not exceed the per credit hour rate  
11 calculated from the academic year tuition levels adopted under this  
12 act.

13 (6) Community colleges may increase services and activities fee  
14 charges in excess of the fiscal growth factor up to the maximum level  
15 authorized by the state board for community and technical colleges.

16 (7) Each institution receiving appropriations under sections 604  
17 through 609 of this act shall submit a biennial plan to achieve  
18 measurable and specific improvements each academic year as part of a  
19 continuing effort to make meaningful and substantial progress towards  
20 the achievement of long-term performance goals. The plans, to be  
21 prepared at the direction of the higher education coordinating board,  
22 shall be submitted by August 15, 2003. The higher education  
23 coordinating board shall set biennial performance targets for each  
24 institution and shall review actual achievements annually.  
25 Institutions shall track their actual performance on the statewide  
26 measures as well as faculty productivity, the goals and targets for  
27 which may be unique to each institution. A report on progress towards  
28 statewide and institution-specific goals, with recommendations for the  
29 ensuing biennium, shall be submitted to the fiscal and higher education  
30 committees of the legislature by November 15, 2005.

31 (8) The state board for community and technical colleges shall  
32 develop a biennial plan to achieve measurable and specific improvements  
33 each academic year as part of a continuing effort to make meaningful  
34 and substantial progress to achieve long-term performance goals. The  
35 board shall set biennial performance targets for each college or  
36 district, where appropriate, and shall review actual achievements  
37 annually. Colleges shall track their actual performance on the

1 statewide measures. A report on progress towards the statewide goals,  
2 with recommendations for the ensuing biennium, shall be submitted to  
3 the fiscal and higher education committees of the legislature by  
4 November 15, 2005.

5 NEW SECTION. **Sec. 602.** (1) The appropriations in sections 603  
6 through 609 of this act provide state general fund support for full-  
7 time equivalent student enrollments at each institution of higher  
8 education. Listed below are the annual full-time equivalent student  
9 enrollments by institutions assumed in this act.

	2003-04	2004-05
	Annual	Annual
	Average	Average
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
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31 (2) In addition to the annual full-time equivalent student  
32 enrollments in this section, funding is provided in sections 603, 606,  
33 607, 608, and 609 for additional high-demand enrollment slots.

1 Colleges and universities shall provide information on the number  
2 of additional headcount and full-time equivalent students enrolled in  
3 high-demand fields pursuant to this subsection to the higher education  
4 coordinating board and the forecast division of the office of financial  
5 management by November of each year for the prior academic year.

6 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**  
7 **TECHNICAL COLLEGES**

8	General Fund--State Appropriation (FY 2004) . . . . .	\$529,351,000
9	General Fund--State Appropriation (FY 2005) . . . . .	\$547,153,000
10	Student Achievement Fund--State Appropriation (FY 2005) . .	\$6,168,000
11	TOTAL APPROPRIATION . . . . .	\$1,082,672,000

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

14 (1) The technical colleges may increase tuition and fees in excess  
15 of the fiscal growth factor to conform with the percentage increase in  
16 community college operating fees.

17 (2) \$2,500,000 of the general fund--state appropriation for fiscal  
18 year 2004 and \$2,500,000 of the general fund--state appropriation for  
19 fiscal year 2005 are provided solely to increase salaries and related  
20 benefits for part-time faculty. The board shall report by January 30  
21 of each fiscal year to the office of financial management and  
22 legislative fiscal and higher education committees on (a) the  
23 distribution of state funds; (b) wage adjustments for part-time  
24 faculty; and (c) progress to achieve the long-term performance targets  
25 for each district, with respect to use of part-time faculty, pursuant  
26 to the faculty mix study conducted under section 603, chapter 309, Laws  
27 of 1999.

28 (3) Salary and benefit savings from faculty turnover may be used to  
29 provide faculty salary increments and associated benefits.

30 (4) \$1,000,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$1,000,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided for a program to fund the start-up of new  
33 community and technical college programs in rural counties as defined  
34 under RCW 43.160.020(12) and in communities impacted by business  
35 closures and job reductions. Successful proposals must respond to

1 local economic development strategies and must include a plan to  
2 continue programs developed with this funding.

3 (5) \$640,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$640,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely for allocation to twelve college  
6 districts identified in (a) through (l) of this subsection to prepare  
7 students for transfer to the state technology institute at the Tacoma  
8 branch campus of the University of Washington. The appropriations in  
9 this section are intended to supplement, not supplant, general  
10 enrollment allocations by the board to the districts under (a) through  
11 (l) of this subsection:

- 12 (a) Bates Technical College;
- 13 (b) Bellevue Community College;
- 14 (c) Centralia Community College;
- 15 (d) Clover Park Community College;
- 16 (e) Grays Harbor Community College;
- 17 (f) Green River Community College;
- 18 (g) Highline Community College;
- 19 (h) Tacoma Community College;
- 20 (i) Olympic Community College;
- 21 (j) Pierce District;
- 22 (k) Seattle District; and
- 23 (l) South Puget Sound Community College.

24 (6) \$28,761,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$28,761,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely as special funds for training and  
27 related support services, including financial aid, as specified in  
28 chapter 226, Laws of 1993 (employment and training for unemployed  
29 workers). Funding is provided to support up to 6,200 full-time  
30 equivalent students in each fiscal year.

31 (7) \$1,000,000 of the general fund--state appropriation for fiscal  
32 year 2004 and \$1,000,000 of the general fund--state appropriation for  
33 fiscal year 2005 are provided solely for tuition support for students  
34 enrolled in work-based learning programs.

35 (8) \$567,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$568,000 of the general fund--state appropriation for



1 fiscal year 2005 are provided solely for administration and customized  
2 training contracts through the job skills program.

3 (9) \$50,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$50,000 of the general fund--state appropriation for  
5 fiscal year 2005 are solely for higher education student child care  
6 matching grants under chapter 28B.135 RCW.

7 (10) \$212,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$212,000 of the general fund--state appropriation for  
9 fiscal year 2005 are provided for allocation to Olympic college. The  
10 college shall contract with accredited baccalaureate institution(s) to  
11 bring a program of upper-division courses to Bremerton. The state  
12 board for community and technical colleges shall report to the office  
13 of financial management and the fiscal and higher education committees  
14 of the legislature on the implementation of this subsection by December  
15 1st of each fiscal year.

16 (11) \$125,000 of the general fund--state appropriation for fiscal  
17 year 2004 and \$125,000 of the general fund--state appropriation for  
18 fiscal year 2005 are provided solely and on a one-time basis to start  
19 up a college district consortium organized under the name "alliance for  
20 corporate education." Financial operations shall be self-sustaining by  
21 no later than June 30, 2005.

22 (12) \$6,167,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$6,168,000 of the student achievement fund--state  
24 appropriation for fiscal year 2005 are provided solely to expand  
25 enrollment in high-demand fields. High-demand fields means (a) health  
26 care; (b) viticulture and enology; and (c) expansion of worker  
27 retraining programs. The state board shall allocate resources among  
28 the three areas specified in this subsection and manage a competitive  
29 process for awarding these resources to the college districts.

30 **NEW SECTION. Sec. 604. FOR THE UNIVERSITY OF WASHINGTON**

31	General Fund--State Appropriation (FY 2004) . . . . .	\$328,591,000
32	General Fund--State Appropriation (FY 2005) . . . . .	\$343,209,000
33	Death Investigations Account--State	
34	Appropriation . . . . .	\$261,000
35	Accident Account--State Appropriation . . . . .	\$5,960,000
36	Medical Aid Account--State Appropriation . . . . .	\$5,974,000

1 Student Achievement Fund--State Appropriation (FY 2005) . . \$1,250,000  
2 TOTAL APPROPRIATION . . . . . \$685,245,000

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

5 (1) \$1,875,000 of the general fund--state appropriation for fiscal  
6 year 2004 and \$1,875,000 of the general fund--state appropriation for  
7 fiscal year 2005 are provided solely to create a state resource for  
8 technology education in the form of an institute located at the  
9 University of Washington, Tacoma. The university will continue to  
10 provide undergraduate and graduate degree programs meeting regional  
11 technology needs including, but not limited to, computing and software  
12 systems. As a condition of these appropriations:

13 (a) The university will work with the state board for community and  
14 technical colleges, or individual colleges where necessary, to  
15 establish articulation agreements in addition to the existing associate  
16 of arts and associate of science transfer degrees. Such agreements  
17 shall improve the transferability of students and in particular,  
18 students with substantial applied information technology credits.

19 (b) The university will establish performance measures for  
20 recruiting, retaining and graduating students, including nontraditional  
21 students, and report back to the governor and legislature by September  
22 2002 as to its progress and future steps.

23 (2) \$150,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$150,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely for research faculty clusters in  
26 the advanced technology initiative program.

27 (3) \$258,000 of the death investigations account appropriation is  
28 provided solely for the forensic pathologist fellowship program.

29 (4) \$150,000 of the general fund--state appropriation for fiscal  
30 year 2004 and \$150,000 of the general fund--state appropriation for  
31 fiscal year 2005 are provided solely for the implementation of the  
32 Puget Sound work plan and agency action item UW-01.

33 (5) \$75,000 of the general fund--state appropriation for fiscal  
34 year 2004 and \$75,000 of the general fund--state appropriation for  
35 fiscal year 2005 are provided solely for the Olympic natural resource  
36 center.

1 (6) \$1,526,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$3,096,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely for competitively offered  
4 recruitment and retention salary adjustments for instructional and  
5 research faculty, exempt professional staff, academic administrators,  
6 academic librarians, counselors, teaching and research assistants, as  
7 classified by the office of financial management, and all other  
8 nonclassified staff, but not including employees under RCW 28B.16.015.  
9 Tuition revenues may be expended in addition to those required by this  
10 section to further provide recruitment and retention salary  
11 adjustments.

12 (7) \$1,250,000 of the general fund--state appropriation for fiscal  
13 year 2004 and \$1,250,000 of the student achievement fund--state  
14 appropriation for fiscal year 2005 are provided solely for state match  
15 to attract or retain federal research grants in high demand and  
16 technologically advanced fields.

17 **NEW SECTION. Sec. 605. FOR WASHINGTON STATE UNIVERSITY**

18	General Fund--State Appropriation (FY 2004) . . . . .	\$191,508,000
19	General Fund--State Appropriation (FY 2005) . . . . .	\$199,888,000
20	Student Achievement Fund--State Appropriation (FY 2005) . .	\$1,014,000
21	TOTAL APPROPRIATION . . . . .	\$392,410,000

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

24 (1) \$150,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$150,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely for research faculty clusters in  
27 the advanced technology initiative program.

28 (2) \$165,000 of the general fund--state appropriation for fiscal  
29 year 2004 and \$166,000 of the general fund--state appropriation for  
30 fiscal year 2005 are provided solely for the implementation of the  
31 Puget Sound work plan and agency action item WSU-01.

32 (3) \$949,000 of the general fund--state appropriation for fiscal  
33 year 2004 and \$1,927,000 of general fund--state appropriation for  
34 fiscal year 2005 are provided solely for competitively offered  
35 recruitment and retention salary adjustments for instructional and  
36 research faculty, exempt professional staff, academic administrators,

1 academic librarians, counselors, teaching and research assistants, as  
2 classified by the office of financial management, and all other  
3 nonclassified staff, but not including employees under RCW 28B.16.015.  
4 Tuition revenues may be expended in addition to those required by this  
5 section to further provide recruitment and retention salary  
6 adjustments.

7 (4) \$507,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$1,014,000 of the student achievement fund--state  
9 appropriation for fiscal year 2005 are provided solely to expand  
10 enrollment in high-demand fields. High-demand fields means veterinary  
11 medicine. Within the amounts provided in this subsection, the  
12 university shall expand the entering class of veterinary medicine  
13 students by 16 full-time equivalent resident students each academic  
14 year during the 2003-05 biennium.

15 NEW SECTION. **Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY**

16	General Fund--State Appropriation (FY 2004) . . . . .	\$43,337,000
17	General Fund--State Appropriation (FY 2005) . . . . .	\$44,802,000
18	Student Achievement Fund--State Appropriation (FY 2005) . . .	\$587,000
19	TOTAL APPROPRIATION . . . . .	\$88,726,000

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

22 (1) \$248,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$503,000 of general fund--state appropriation for fiscal  
24 year 2005 are provided solely for competitively offered recruitment and  
25 retention salary adjustments for instructional and research faculty,  
26 exempt professional staff, academic administrators, academic  
27 librarians, counselors, teaching and research assistants, as classified  
28 by the office of financial management, and all other nonclassified  
29 staff, but not including employees under RCW 28B.16.015. Tuition  
30 revenues may be expended in addition to those required by this section  
31 to further provide recruitment and retention salary adjustments.

32 (2) \$587,000 of the general fund--state appropriation for fiscal  
33 year 2004 and \$587,000 of the student achievement fund--state  
34 appropriation for fiscal year 2005 are provided solely to expand  
35 enrollment in high-demand fields. High-demand fields means health  
36 sciences and computing and engineering sciences.



1 retention salary adjustments for instructional and research faculty,  
2 exempt professional staff, academic administrators, academic  
3 librarians, counselors, teaching and research assistants, as classified  
4 by the office of financial management, and all other nonclassified  
5 staff, but not including employees under RCW 28B.16.015. Tuition  
6 revenues may be expended in addition to those required by this section  
7 to further provide recruitment and retention salary adjustments.

8 (2) \$272,000 of the general fund--state appropriation for fiscal  
9 year 2004 and \$273,000 of the student achievement fund--state  
10 appropriation for fiscal year 2005 are provided solely to expand  
11 enrollment in high-demand fields. High-demand fields means reservation  
12 based tribal programs for undergraduate students.

13 (3) The Washington state institute for public policy shall research  
14 the following issues and provide reports to the legislature as  
15 directed. The institute board shall prioritize and schedule all  
16 studies based on staff capacity.

17 (a) \$110,000 of the general fund--state appropriation for fiscal  
18 year 2004 is provided solely for the Washington state institute for  
19 public policy to review research assessing the effectiveness of  
20 prevention and early intervention programs concerning children and  
21 youth, including but not limited to, programs designed to reduce the  
22 at-risk behaviors for children and youth identified in RCW  
23 70.190.010(4).

24 Using this research, the institute shall identify specific  
25 research-proven programs that produce a positive return on the dollar  
26 compared to the costs of the program. The institute shall also develop  
27 criteria designed to ensure quality implementation and program fidelity  
28 of research-proven programs in the state. The criteria shall include  
29 measures for ongoing monitoring and continual improvement of treatment  
30 delivery, and shall be feasible for inclusion in a contract for  
31 services. The institute shall develop recommendations for potential  
32 state legislation that encourages local government investment in  
33 research-proven prevention and early intervention programs by  
34 reimbursing local governments for a portion of the savings that accrue  
35 to the state as the result of local investments in such programs. The  
36 institute shall present a preliminary report of its findings to the

1 appropriate committees of the legislature by December 1, 2003, and  
2 shall present a final report by March 1, 2004.

3 This study incorporates all studies outlined in Substitute House  
4 Bill No. 1028 (at-risk youth study), Substitute House Bill No. 1824  
5 (treatment for juveniles), and Second Substitute House Bill No. 1841  
6 (family services/intervention).

7 (b) \$26,000 of the general fund--state appropriation for fiscal  
8 year 2004 is provided solely for the Washington state institute for  
9 public policy to develop adherence and outcome standards for measuring  
10 the effectiveness of treatment programs referred to in Engrossed Second  
11 Substitute Senate Bill No. 5903 (juvenile offender sentencing). The  
12 standards shall be developed and presented to the governor and  
13 legislature by no later than January 1, 2004.

14 (c) \$100,000 of the general fund--state appropriation for fiscal  
15 year 2004 is provided solely for the Washington state institute for  
16 public policy to study the relationship between prison overcrowding and  
17 construction, and the current state criminal sentencing structure.

18 (i) The institute shall determine whether any changes could be made  
19 to the current state sentencing structure to address prison  
20 overcrowding and the need for new prison construction, giving great  
21 weight to the primary purposes of the criminal justice system. These  
22 purposes include: Protecting community safety; making frugal use of  
23 state and local government resources by concentrating resources on  
24 violent offenders and sex offenders who pose the greatest risk to our  
25 communities; achieving proportionality in sentencing; and reducing the  
26 risk of reoffending by offenders in the community.

27 (ii) In developing its research plan, the institute may consult  
28 with the sentencing guidelines commission, the caseload forecast  
29 council, and interested stakeholders.

30 (iii) The institute for public policy shall present a preliminary  
31 report of its findings to the governor and to the appropriate standing  
32 committees of the legislature by December 15, 2003, and shall present  
33 a final report regarding its findings and recommendations by March 15,  
34 2004.

35 NEW SECTION. **Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**  
36 General Fund--State Appropriation (FY 2004) . . . . . \$57,338,000

1	General Fund--State Appropriation (FY 2005) . . . . .	\$59,880,000
2	Student Achievement Fund--State Appropriation (FY 2005) . . .	\$643,000
3	TOTAL APPROPRIATION . . . . .	\$117,861,000

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

6 (1) \$980,400 of the general fund--state appropriation for fiscal  
7 year 2004 and \$980,400 of the general fund--state appropriation for  
8 fiscal year 2005 are provided solely for the operations of the North  
9 Snohomish, Island, Skagit (NSIS) higher education consortium.

10 (2) \$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 (3) \$642,000 of the general fund--state appropriation for fiscal  
21 year 2004 and \$643,000 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 special  
24 education, computer science, and information technology.

25 NEW SECTION. **Sec. 610. FOR THE HIGHER EDUCATION COORDINATING**  
26 **BOARD--POLICY COORDINATION AND ADMINISTRATION**

27	General Fund--State Appropriation (FY 2004) . . . . .	\$2,195,000
28	General Fund--State Appropriation (FY 2005) . . . . .	\$2,194,000
29	General Fund--Federal Appropriation . . . . .	\$642,000
30	TOTAL APPROPRIATION . . . . .	\$5,031,000

31 The appropriations in this section are provided to carry out the  
32 policy coordination, planning, studies and administrative functions of  
33 the board and are subject to the following conditions and limitations:

34 (1) Within the appropriations provided in this section, funds are  
35 provided to continue the teacher training pilot program pursuant to



1 chapter 28B.80 RCW until standing authority for this program expires as  
2 scheduled on January 1, 2005.

3 (2) \$175,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$175,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely to continue a demonstration  
6 project to improve rural access to post-secondary education by bringing  
7 distance learning technologies into Jefferson county.

8 NEW SECTION. **Sec. 611. FOR THE HIGHER EDUCATION COORDINATING**  
9 **BOARD--FINANCIAL AID AND GRANT PROGRAMS**

10	General Fund--State Appropriation (FY 2004) . . . . .	\$142,930,000
11	General Fund--State Appropriation (FY 2005) . . . . .	\$143,232,000
12	General Fund--Federal Appropriation . . . . .	\$7,534,000
13	Student Achievement Fund--State Appropriation (FY 2005) . .	\$6,050,000
14	TOTAL APPROPRIATION . . . . .	\$299,746,000

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

17 (1) \$259,000 of the general fund--state appropriation for fiscal  
18 year 2004 and \$273,000 of the general fund--state appropriation for  
19 fiscal year 2005 are provided solely for the western interstate  
20 commission for higher education.

21 (2) \$1,100,000 of the general fund--state appropriation for fiscal  
22 year 2004 and \$1,100,000 of the general fund--state appropriation for  
23 fiscal year 2005 are provided solely for the health professional  
24 conditional scholarship and loan program under chapter 28B.115 RCW.  
25 This amount shall be deposited to the health professional loan  
26 repayment and scholarship trust fund to carry out the purposes of the  
27 program.

28 (3) \$75,000 of the general fund--state appropriation for fiscal  
29 year 2004 and \$75,000 of the general fund--state appropriation for  
30 fiscal year 2005 are provided solely for higher education student child  
31 care matching grants under chapter 28B.135 RCW.

32 (4) \$25,000 of the general fund--state appropriation for fiscal  
33 year 2004 and \$25,000 of the general fund--state appropriation for  
34 fiscal year 2005 are provided solely for the benefit of students who  
35 participate in college assistance migrant programs (CAMP) operating in  
36 Washington state. To ensure timely state aid, the board may establish

1 a date after which no additional grants would be available for the  
2 2003-04 and 2004-05 academic years. The board shall disperse grants in  
3 equal amounts to eligible post-secondary institutions so that state  
4 money in all cases supplements federal CAMP awards.

5 (5) \$109,376,000 of the general fund--state appropriation for  
6 fiscal year 2004 and \$115,378,000 of the general fund--state  
7 appropriation for fiscal year 2005 are provided solely for the state  
8 need grant program.

9 (a) After April 1 of each fiscal year, up to one percent of the  
10 annual appropriation for the state need grant program may be  
11 transferred to the state work study program.

12 (b) For the 2003-05 biennium, state need grant awards for students  
13 who attend independent baccalaureate institutions shall not exceed  
14 average tuition at the public regional universities as defined by RCW  
15 28B.35.010.

16 (6) \$17,048,000 of the general fund--state appropriation for fiscal  
17 year 2004 and \$17,048,000 of the general fund--state appropriation for  
18 fiscal year 2005 are provided solely for the state work study program.  
19 After April 1 of each fiscal year, up to one percent of the annual  
20 appropriation for the state work study program may be transferred to  
21 the state need grant program. In addition to the administrative  
22 allowance in subsection (12) of this section, four percent of the  
23 general fund--state amount in this subsection may be expended for state  
24 work study program administration.

25 (7) \$2,867,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$2,867,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely for educational opportunity  
28 grants. The board may deposit sufficient funds from its appropriation  
29 into the state education trust fund as established in RCW 28B.10.821 to  
30 provide a one-year renewal of the grant for each new recipient of the  
31 educational opportunity grant award. For the purpose of establishing  
32 eligibility for the educational opportunity grant program for  
33 placebound students under RCW 28B.101.020, Thurston county lies within  
34 the branch campus service area of the Tacoma branch campus of the  
35 University of Washington.

36 (8) \$1,881,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$2,079,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to implement the Washington  
2 scholars program. Any Washington scholars program moneys not awarded  
3 by April 1st of each year may be transferred by the board to the  
4 Washington award for vocational excellence.

5 (9) \$778,000 of the general fund--state appropriation for fiscal  
6 year 2004 and \$815,000 of the general fund--state appropriation for  
7 fiscal year 2005 are provided solely to implement Washington award for  
8 vocational excellence program. Any Washington award for vocational  
9 program moneys not awarded by April 1st of each year may be transferred  
10 by the board to the Washington scholars program.

11 (10) \$246,000 of the general fund--state appropriation for fiscal  
12 year 2004 and \$246,000 of the general fund--state appropriation for  
13 fiscal year 2005 are provided solely for community scholarship matching  
14 grants of \$2,000 each. To be eligible for the matching grant, a  
15 nonprofit community organization organized under section 501(c)(3) of  
16 the internal revenue code must demonstrate that it has raised \$2,000 in  
17 new moneys for college scholarships after the effective date of this  
18 act. An organization may receive more than one \$2,000 matching grant  
19 and preference shall be given to organizations affiliated with the  
20 citizens' scholarship foundation.

21 (11) Subject to state need grant service requirements pursuant to  
22 chapter 28B.119 RCW, \$6,050,000 of the general fund--state  
23 appropriation for fiscal year 2004 and \$6,050,000 of the student  
24 achievement fund--state appropriation for fiscal year 2005 are provided  
25 solely for the Washington promise scholarship program.

26 (12) \$2,649,000 of the general fund--state appropriation for fiscal  
27 year 2004 and \$2,649,000 of the general fund--state appropriation for  
28 fiscal year 2005 are provided solely for financial aid administration,  
29 in addition to the four percent cost allowance provision for state work  
30 study under subsection (6) of this section. These funds are provided  
31 to administer all the financial aid and grant programs assigned to the  
32 board by the legislature and administered by the agency. To the extent  
33 the executive director finds the agency will not require the full sum  
34 provided in this subsection, a portion may be transferred to supplement  
35 financial grants-in-aid to eligible clients after notifying the board  
36 and the office of financial management of the intended transfer.

1 (13) \$539,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$540,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely for the displaced homemakers  
4 program.

5 NEW SECTION. **Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**  
6 **COORDINATING BOARD**

7	General Fund--State Appropriation (FY 2004) . . . . .	\$1,682,000
8	General Fund--State Appropriation (FY 2005) . . . . .	\$1,640,000
9	General Fund--Federal Appropriation . . . . .	\$53,796,000
10	TOTAL APPROPRIATION . . . . .	\$57,118,000

11 The appropriations in this section are subject to the following  
12 conditions and limitations: \$485,000 of the general fund--state  
13 appropriation for fiscal year 2004 and \$485,000 of the general fund--  
14 state appropriation for fiscal year 2005 are provided solely for the  
15 operations and development of the inland northwest technology education  
16 center (INTEC) as a regional resource and model for the rapid  
17 deployment of skilled workers trained in the latest technologies for  
18 Washington. The board shall serve as an advisor to and fiscal agent  
19 for INTEC, and will report back to the governor and legislature by  
20 September 2004 as to the progress and future steps for INTEC as this  
21 new public-private partnership evolves.

22 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**  
23 **AND TECHNOLOGY INSTITUTE**

24	General Fund--State Appropriation (FY 2004) . . . . .	\$1,405,000
25	General Fund--State Appropriation (FY 2005) . . . . .	\$1,423,000
26	TOTAL APPROPRIATION . . . . .	\$2,828,000

27 NEW SECTION. **Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION**

28	General Fund--State Appropriation (FY 2004) . . . . .	\$2,264,000
29	General Fund--State Appropriation (FY 2005) . . . . .	\$2,270,000
30	General Fund--Federal Appropriation . . . . .	\$1,026,000
31	TOTAL APPROPRIATION . . . . .	\$5,560,000

32 NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE HISTORICAL**

1 **SOCIETY**

2	General Fund--State Appropriation (FY 2004) . . . . .	\$2,452,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$2,519,000
4	TOTAL APPROPRIATION . . . . .	\$4,971,000

5 NEW SECTION. **Sec. 616. FOR THE EASTERN WASHINGTON STATE**  
6 **HISTORICAL SOCIETY**

7	General Fund--State Appropriation (FY 2004) . . . . .	\$1,459,000
8	General Fund--State Appropriation (FY 2005) . . . . .	\$1,490,000
9	TOTAL APPROPRIATION . . . . .	\$2,949,000

10 NEW SECTION. **Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**

11	General Fund--State Appropriation (FY 2004) . . . . .	\$4,655,000
12	General Fund--State Appropriation (FY 2005) . . . . .	\$4,700,000
13	General Fund--Private/Local Appropriation . . . . .	\$1,335,000
14	TOTAL APPROPRIATION . . . . .	\$10,690,000

15 NEW SECTION. **Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF**

16	General Fund--State Appropriation (FY 2004) . . . . .	\$7,629,000
17	General Fund--State Appropriation (FY 2005) . . . . .	\$7,630,000
18	General Fund--Private/Local Appropriation . . . . .	\$232,000
19	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
Debt-Limit General Fund Bond Retirement Account--	
State Appropriation	\$10,000,000
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	\$1,216,923,000

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**



1 military department for fire mobilizations costs or to the department  
2 of natural resources for fire suppression costs.

3 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
4 **EMERGENCY FUND**

5	General Fund--State Appropriation (FY 2004) . . . . .	\$850,000
6	General Fund--State Appropriation (FY 2005) . . . . .	\$850,000
7	TOTAL APPROPRIATION . . . . .	\$1,700,000

8 The appropriations in this section are subject to the following  
9 conditions and limitations: The appropriations in this section are for  
10 the governor's emergency fund for the critically necessary work of any  
11 agency.

12 NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
13 **REVOLVING FUND ADJUSTMENTS**

14	General Fund--State Appropriation (FY 2004) . . . . .	\$3,350,000
15	General Fund--State Appropriation (FY 2005) . . . . .	\$3,350,000
16	Revolving Fund Revolving Account Appropriation . . . . .	\$2,792,000
17	TOTAL APPROPRIATION . . . . .	\$9,492,000

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

20 (1) The appropriations in this section are provided solely to make  
21 adjustments to agency revolving fund assessments for internal services  
22 to reflect policy changes made to the governor's proposed omnibus  
23 appropriations act.

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 revolving fund revolving  
27 account, hereby created in the state treasury, in accordance with  
28 schedules provided by the office of financial management.

29 NEW SECTION. **Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
30 **EXTRAORDINARY CRIMINAL JUSTICE COSTS**

31	Public Safety and Education--State Appropriation . . . . .	\$766,000
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32 The appropriation in this section is subject to the following



1 conditions and limitations: The director of financial management shall  
2 distribute the entire appropriation to King county for extraordinary  
3 criminal justice costs.

4 NEW SECTION. **Sec. 709. BELATED CLAIMS.** The agencies and  
5 institutions of the state may expend moneys appropriated in this act,  
6 upon approval of the office of financial management, for the payment of  
7 supplies and services furnished to the agency or institution in prior  
8 fiscal biennia.

9 NEW SECTION. **Sec. 710. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
10 **PERSONNEL RESOURCES BOARD'S SALARY SURVEY FOR STATE AND HIGHER**  
11 **EDUCATION EMPLOYEES**

12	General Fund--State Appropriation (FY 2005) . . . . .	\$21,200,000
13	Salary and Insurance Increase Revolving Account	
14	Appropriation . . . . .	\$17,385,000
15	TOTAL APPROPRIATION . . . . .	\$38,585,000

16 The appropriations in this section shall be expended solely for the  
17 purposes designated in this section and are subject to the following  
18 conditions and limitations:

19 (1) Funding is provided in sufficient amounts to bring the current  
20 salary range to within 8 ranges of their market rate for those state  
21 and higher education classified and exempt classes under the Washington  
22 personnel resources board whose current base salary is greater than 8  
23 ranges from their approved survey applied salary range as determined  
24 under RCW 41.06.160.

25 (2) Implementation of the salary adjustments for the various  
26 classifications is effective September 1, 2004.

27 NEW SECTION. **Sec. 711. FOR THE GOVERNOR--COMPENSATION--INSURANCE**  
28 **BENEFITS**

29	General Fund--State Appropriation (FY 2004) . . . . .	\$12,846,000
30	General Fund--State Appropriation (FY 2005) . . . . .	\$41,009,000
31	General Fund--Federal Appropriation . . . . .	\$10,506,000
32	General Fund--Private/Local Appropriation . . . . .	\$1,330,000
33	Salary and Insurance Increase Revolving Account	
34	Appropriation . . . . .	\$51,315,000

1 TOTAL APPROPRIATION . . . . . \$117,006,000

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

4 (1)(a) The monthly employer funding rate for insurance benefit  
5 premiums, public employees' benefits board administration, and the  
6 uniform medical plan, shall not exceed \$520.29 per eligible employee  
7 for fiscal year 2004, and \$606.26 for fiscal year 2005.

8 (b) Within the rates in (a) of this subsection, \$4.13 per eligible  
9 employee shall be included in the employer funding rate for fiscal year  
10 2004, and \$2.11 per eligible employee shall be included in the employer  
11 funding rate for fiscal year 2005, solely to increase life insurance  
12 coverage in accordance with a court approved settlement in *Burbage et*  
13 *al. v. State of Washington* (Thurston county superior court cause no.  
14 94-2-02560-8).

15 (c) In order to achieve the level of funding provided for health  
16 benefits, the public employees' benefits board shall require any or all  
17 of the following: Employee premium copayments, increases in point-of-  
18 service cost sharing, the implementation of managed competition, or  
19 make other changes to benefits consistent with RCW 41.05.065.

20 (d) The health care authority shall deposit any moneys received on  
21 behalf of the uniform medical plan as a result of rebates on  
22 prescription drugs, audits of hospitals, subrogation payments, or any  
23 other moneys recovered as a result of prior uniform medical plan claims  
24 payments, into the public employees' and retirees' insurance account to  
25 be used for insurance benefits. Such receipts shall not be used for  
26 administrative expenditures.

27 (2) To facilitate the transfer of moneys from dedicated funds and  
28 accounts, the state treasurer is directed to transfer sufficient moneys  
29 from each dedicated fund or account to the special fund salary and  
30 insurance contribution increase revolving fund in accordance with  
31 schedules provided by the office of financial management.

32 (3) The health care authority, subject to the approval of the  
33 public employees' benefits board, shall provide subsidies for health  
34 benefit premiums to eligible retired or disabled public employees and  
35 school district employees who are eligible for parts A and B of  
36 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through

1 December 31, 2004, the subsidy shall be \$109.22. Starting January 1,  
2 2005, the subsidy shall be \$132.20 per month.

3 (4) Technical colleges, school districts, and educational service  
4 districts shall remit to the health care authority for deposit into the  
5 public employees' and retirees' insurance account established in RCW  
6 41.05.120 the following amounts:

7 (a) For each full-time employee, \$44.19 per month beginning  
8 September 1, 2003, and \$53.54 beginning September 1, 2004;

9 (b) For each part-time employee who, at the time of the remittance,  
10 is employed in an eligible position as defined in RCW 41.32.010 or  
11 41.40.010 and is eligible for employer fringe benefit contributions for  
12 basic benefits, \$44.19 each month beginning September 1, 2003, and  
13 \$53.54 beginning September 1, 2004, prorated by the proportion of  
14 employer fringe benefit contributions for a full-time employee that the  
15 part-time employee receives.

16 The remittance requirements specified in this subsection shall not  
17 apply to employees of a technical college, school district, or  
18 educational service district who purchase insurance benefits through  
19 contracts with the health care authority.

20 (5) The salary and insurance increase revolving account  
21 appropriation includes amounts sufficient to fund health benefits for  
22 ferry workers at the premium levels specified in subsection (1) of this  
23 section, consistent with the 2003-2005 transportation appropriations  
24 act.

25 NEW SECTION. **Sec. 712. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**  
26 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in this  
27 section are subject to the following conditions and limitations: The  
28 appropriations for the law enforcement officers' and firefighters'  
29 retirement system shall be made on a monthly basis beginning July 1,  
30 2003, consistent with chapter 41.45 RCW, and the appropriations for the  
31 judges and judicial retirement systems shall be made on a quarterly  
32 basis consistent with chapters 2.10 and 2.12 RCW.

33 (1) There is appropriated for state contributions to the law  
34 enforcement officers' and fire fighters' retirement system:

35	General Fund--State Appropriation (FY 2004) . . . . .	\$21,171,000
36	General Fund--State Appropriation (FY 2005) . . . . .	\$20,829,000

1 (2) There is appropriated for contributions to the judicial  
2 retirement system:

3 General Fund--State Appropriation (FY 2004) . . . . . \$6,000,000  
4 General Fund--State Appropriation (FY 2005) . . . . . \$6,000,000

5 (3) There is appropriated for contributions to the judges  
6 retirement system:

7 General Fund--State Appropriation (FY 2004) . . . . . \$500,000  
8 General Fund--State Appropriation (FY 2005) . . . . . \$500,000  
9 TOTAL APPROPRIATION . . . . . \$55,000,000

10 NEW SECTION. **Sec. 713. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
11 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

12 General Fund--State Appropriation (FY 2004) . . . . . \$674,000  
13 General Fund--State Appropriation (FY 2005) . . . . . \$683,000  
14 Public Safety and Education Account--State  
15 Appropriation . . . . . \$199,000  
16 Judicial Information Systems Account--State  
17 Appropriation . . . . . \$57,000  
18 Department of Retirement Systems Expense  
19 Account--State Appropriation . . . . . \$14,000  
20 TOTAL APPROPRIATION . . . . . \$1,627,000

21 The appropriations in this section are subject to the following  
22 conditions and limitations: The appropriations in this section are  
23 provided solely to fund pension contributions to the public employees'  
24 retirement system and teachers' retirement system for judicial and  
25 legislative employees, effective July 1, 2003.

26 NEW SECTION. **Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
27 **PENSION SAVINGS.**

28 General Fund--State Appropriation (FY 2004) . . . . . (\$10,913,000)  
29 General Fund--State Appropriation (FY 2005) . . . . . (\$11,008,000)  
30 General Fund--Federal Appropriation . . . . . (\$4,374,000)  
31 General Fund--Private/Local Appropriation . . . . . (\$502,000)  
32 Salary and Insurance Increase Revolving Account  
33 Appropriation . . . . . (\$10,877,000)  
34 TOTAL APPROPRIATION . . . . . (\$37,674,000)

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

3 (1) The appropriations in this section are provided solely to make  
4 adjustments to agency appropriations to reflect savings resulting from  
5 the adoption of the new smoothing method for the public employees',  
6 teachers', and school employees' retirement systems and suspending  
7 payment on the unfunded liability in the public employees' and  
8 teachers' retirement system plans 1 as provided in Senate Bill No. 6029  
9 (funding the public employees' retirement system, the school employees  
10 retirement system, and the school employees retirement system). If the  
11 bill is not enacted by June 30, 2003, the amounts provided in this  
12 section shall lapse.

13 (2) To facilitate the transfer of moneys from dedicated funds and  
14 accounts, the state treasurer is directed to transfer sufficient moneys  
15 from each dedicated fund or account to the salary and insurance  
16 increase revolving account.

17 **NEW SECTION. Sec. 715. SALARY COST OF LIVING ADJUSTMENT**

18	General Fund--State Appropriation (FY 2005) . . . . .	\$22,826,000
19	General Fund--Federal Appropriation . . . . .	\$4,539,000
20	General Fund--Private/Local Appropriation . . . . .	\$513,000
21	Salary and Insurance Increase Revolving Account	
22	Appropriation . . . . .	\$15,995,000
23	TOTAL APPROPRIATION . . . . .	\$43,873,000

24 The appropriations in this section shall be expended solely for the  
25 purposes designated in this section and are subject to the following  
26 conditions and limitations:

27 (1) In addition to the purposes set forth in subsections (2) and  
28 (3) of this section, appropriations in this section are provided  
29 sufficient for a 2.0 percent salary increase effective September 1,  
30 2004, for all classified employees, except the certificated employees  
31 of the state schools for the deaf and blind, and including those  
32 employees in Washington management service, and exempt employees under  
33 the jurisdiction of the personnel resources board.

34 (2) The appropriations in this section are sufficient to fund a 2.0  
35 percent salary increase effective September 1, 2004, for general

1 government, legislative, and judicial employees exempt from merit  
2 system rules whose maximum salaries are not set by the commission on  
3 salaries for elected officials.

4 (3) The salary and insurance increase revolving account  
5 appropriation in this section includes funds sufficient to fund a 2.0  
6 percent salary increase effective September 1, 2004, for ferry workers  
7 consistent with the 2003-05 transportation appropriations act.

8 (4)(a) No salary increase may be paid under this section to any  
9 person whose salary has been Y-rated pursuant to rules adopted by the  
10 personnel resources board.

11 (b) The average salary increases paid under this section to agency  
12 officials whose maximum salaries are established by the committee on  
13 agency official salaries shall not exceed the average increases  
14 provided by subsection (3) of this section.

15 NEW SECTION. **Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
16 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

17	General Fund--State Appropriation (FY 2004) . . . . .	\$10,468,000
18	General Fund--State Appropriation (FY 2005) . . . . .	\$10,468,000
19	TOTAL APPROPRIATION . . . . .	\$20,936,000

20 The appropriations in this section are subject to the following  
21 conditions and limitations: The appropriation in this section is for  
22 appropriation to the education technology revolving account for the  
23 purpose of covering operational and transport costs incurred by the K-  
24 20 educational network program in providing telecommunication services  
25 to network participants.

26 NEW SECTION. **Sec. 717. INCENTIVE SAVINGS--FY 2004.** The sum of  
27 one hundred million dollars or so much thereof as may be available on  
28 June 30, 2004, from the total amount of unspent fiscal year 2004 state  
29 general fund appropriations is appropriated for the purposes of RCW  
30 43.79.460 in the manner provided in this section.

31 (1) Of the total appropriated amount, one-half of that portion that  
32 is attributable to incentive savings, not to exceed twenty-five million  
33 dollars, is appropriated to the savings incentive account for the  
34 purpose of improving the quality, efficiency, and effectiveness of  
35 agency services, and credited to the agency that generated the savings.

1 (2) The remainder of the total amount, not to exceed seventy-five  
2 million dollars, is appropriated to the education savings account.

3 (3) For purposes of this section, the total amount of unspent state  
4 general fund appropriations does not include the appropriations made in  
5 this section or any amounts included in across-the-board allotment  
6 reductions under RCW 43.88.110.

7 NEW SECTION. **Sec. 718. INCENTIVE SAVINGS--FY 2005.** The sum of  
8 one hundred million dollars or so much thereof as may be available on  
9 June 30, 2005, from the total amount of unspent fiscal year 2005 state  
10 general fund appropriations is appropriated for the purposes of RCW  
11 43.79.460 in the manner provided in this section.

12 (1) Of the total appropriated amount, one-half of that portion that  
13 is attributable to incentive savings, not to exceed twenty-five million  
14 dollars, is appropriated to the savings incentive account for the  
15 purpose of improving the quality, efficiency, and effectiveness of  
16 agency services, and credited to the agency that generated the savings.

17 (2) The remainder of the total amount, not to exceed seventy-five  
18 million dollars, is appropriated to the education savings account.

19 (3) For purposes of this section, the total amount of unspent state  
20 general fund appropriations does not include the appropriations made in  
21 this section or any amounts included in across-the-board allotment  
22 reductions under RCW 43.88.110.

23 NEW SECTION. **Sec. 719. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**  
24 **AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

25 Health Services Account--State Appropriation . . . . . \$24,000,000

26 The appropriation in this section is subject to the following  
27 conditions and limitations: The director of the department of  
28 community, trade, and economic development shall distribute the  
29 appropriations to the following counties and health districts in the  
30 amounts designated:

<b>Health District</b>	<b>FY 2004</b>
Adams County Health District	\$30,951
Asotin County Health District	\$67,714

1	Benton-Franklin Health District	\$1,165,612
2	Chelan-Douglas Health District	\$184,761
3	Clallam County Health and Human Services Department	\$141,752
4	Southwest Washington Health District	\$1,084,473
5	Columbia County Health District	\$40,529
6	Cowlitz County Health Department	\$278,560
7	Garfield County Health District	\$15,028
8	Grant County Health District	\$118,595
9	Grays Harbor Health Department	\$183,870
10	Island County Health Department	\$91,892
11	Jefferson County Health and Human Services	\$85,782
12	Seattle-King County Department of Public Health	\$9,531,747
13	Bremerton-Kitsap County Health District	\$554,669
14	Kittitas County Health Department	\$92,499
15	Klickitat County Health Department	\$62,402
16	Lewis County Health Department	\$105,801
17	Lincoln County Health Department	\$29,705
18	Mason County Department of Health Services	\$95,988
19	Okanogan County Health District	\$63,458
20	Pacific County Health Department	\$77,427
21	Tacoma-Pierce County Health Department	\$2,820,590
22	San Juan County Health and Community Services	\$37,531
23	Skagit County Health Department	\$223,927
24	Snohomish Health District	\$2,258,207
25	Spokane County Health District	\$2,101,429
26	Northeast Tri-County Health District	\$110,454
27	Thurston County Health Department	\$600,419
28	Wahkiakum County Health Department	\$13,773
29	Walla Walla County-City Health Department	\$172,062
30	Whatcom County Health Department	\$855,863
31	Whitman County Health Department	\$78,733
32	Yakima Health District	\$623,797
33	<b>TOTAL APPROPRIATIONS</b>	<b>\$24,000,000</b>

34        NEW SECTION.    **Sec. 720. FOR SUNDRY CLAIMS.**    The following sums,  
35    or so much thereof as may be necessary, are appropriated from the  
36    general fund, unless otherwise indicated, for relief of various



1 individuals, firms, and corporations for sundry claims. These  
2 appropriations are to be disbursed on vouchers approved by the director  
3 of general administration, except as otherwise provided, as follows:

4 (1) Reimbursement of criminal defendants acquitted on the basis of  
5 self-defense, pursuant to RCW 9A.16.110: Kelly C. Schwatz, claim  
6 number SCJ 03-10 . . . . . \$18,250

7 (2) Payment from the state wildlife account for damage to crops by  
8 wildlife, pursuant to RCW 77.36.050:

9 (a) Circle S Landscape Supplies, claim number  
10 SCG 03-05 . . . . . \$49,380

11 (b) Marilyn Lund Farms, claim number SCG 03-08 . . . . . \$17,175

12 (c) Paul Gibbons, claim number SCG 03-09 . . . . . \$12,414

13 (d) Bud Hamilton, claim number SCG 03-10 . . . . . \$15,591

14 **NEW SECTION. Sec. 721. FOR THE CIVIL LEGAL SERVICES ACCOUNT**

15 General Fund--State Appropriation (FY 2004) . . . . . \$2,326,000

16 General Fund--State Appropriation (FY 2005) . . . . . \$2,326,000

17 Public Safety and Education Account--State  
18 Appropriation . . . . . \$4,609,000

19 TOTAL APPROPRIATION . . . . . \$9,261,000

20 The appropriations in this section are subject to the following  
21 conditions and limitations: The entire appropriation is provided  
22 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. The  
15      transfer from the tobacco settlement account  
16      reflects revenues to be collected under  
17      Substitute House Bill No. 2038 (tobacco escrow  
18      refund provisions) . . . . . \$185,000,000  
19   Health Service Account: For transfer  
20      to the violence reduction and drug  
21      enforcement account . . . . . \$7,789,000  
22   Nisqually Earthquake Account: For transfer to  
23      the disaster response account . . . . . \$6,200,000  
24   Industrial Insurance Premium Refund Account:  
25      For transfer to the state general fund . . . . . \$577,000  
26   Public Service Revolving Account: For transfer  
27      to the state general fund . . . . . \$1,000,000  
28   Gambling Revolving Account: For transfer  
29      to the state general fund . . . . . \$1,500,000  
30   State Forest Nursery Revolving Account: For transfer  
31      to the state general fund, \$250,000 for fiscal  
32      year 2004 and \$250,000 for fiscal year 2005 . . . . . \$500,000  
33   Flood Control Assistance Account: For transfer  
34      to the state general fund, \$1,350,000 for  
35      fiscal year 2004 and \$1,350,000 for fiscal  
36      year 2005 . . . . . \$2,700,000  
37   Water Quality Account: For transfer to the water

1 pollution control account . . . . . \$10,500,000  
 2 General Fund: For transfer to the water quality  
 3 account, \$3,870,000 for fiscal year 2004 and  
 4 \$4,557,000 for fiscal year 2005 . . . . . \$8,427,000  
 5 Insurance Commissioner's Regulatory Account:  
 6 For transfer to the state general fund . . . . . \$1,000,000  
 7 Health Services Account: For transfer to the  
 8 tobacco prevention and control account . . . . . \$24,216,000  
 9 From the Emergency Reserve Fund: For transfer  
 10 to the state general fund . . . . . \$57,046,000  
 11 Student Achievement Fund: For transfer to the state  
 12 general fund for fiscal year 2005 . . . . . \$44,900,000  
 13 Department of Retirement Systems Expense Account:  
 14 For transfer to the state general fund . . . . . \$1,500,000  
 15 Woodstove Education and Enforcement Account:  
 16 For transfer to the air pollution control account . . . . \$600,000  
 17 Education Construction Fund: For transfer to the  
 18 state general fund for fiscal year 2005 . . . . . \$68,775,000

19 NEW SECTION. **Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**

20 **TRANSFERS**

21 General Fund--State Appropriation: For  
 22 transfer to the department of retirement  
 23 systems expense account: For the  
 24 administrative expenses of the judicial  
 25 retirement system . . . . . \$21,901

(End of part)

**PART IX**  
**MISCELLANEOUS**

NEW SECTION. **Sec. 901. EXPENDITURE AUTHORIZATIONS.** The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2001-03 biennium.

NEW SECTION. **Sec. 902. INFORMATION SYSTEMS PROJECTS.** Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:

- (a) System refurbishment, acquisitions, and development efforts;
  - (b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;
  - (c) Assessment of overall information processing performance, resources, and capabilities;
  - (d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources;
- and

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 38.52.106 and 2002 c 371 s 904 are each amended to  
30 read as follows:

31 The Nisqually earthquake account is created in the state treasury.  
32 Moneys may be placed in the account from tax revenues, budget transfers  
33 or appropriations, federal appropriations, gifts, or any other lawful  
34 source. Moneys in the account may be spent only after appropriation.  
35 Moneys in the account shall be used only to support state and local

1 government disaster response and recovery efforts associated with the  
2 Nisqually earthquake. During the (~~(2001-)~~) 2003-2005 fiscal biennium,  
3 the legislature may transfer moneys from the Nisqually earthquake  
4 account to the disaster response account for fire suppression and  
5 mobilization costs(~~(, and costs associated with national security~~  
6 ~~preparedness activities)~~).

7 **Sec. 914.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended  
8 to read as follows:

9 There is hereby created a fund within the state treasury to be  
10 known as the "state treasurer's service fund". Such fund shall be used  
11 solely for the payment of costs and expenses incurred in the operation  
12 and administration of the state treasurer's office.

13 Moneys shall be allocated monthly and placed in the state  
14 treasurer's service fund equivalent to a maximum of one percent of the  
15 trust and treasury average daily cash balances from the earnings  
16 generated under the authority of RCW 43.79A.040 and 43.84.080 other  
17 than earnings generated from investment of balances in funds and  
18 accounts specified in RCW 43.79.040(~~((2)(b))~~) or 43.84.092(~~((2)(b))~~)  
19 (4)(b). The allocation shall precede the distribution of the remaining  
20 earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state  
21 treasurer shall establish a uniform allocation rate based on the  
22 appropriations for the treasurer's office.

23 During the 2003-2005 fiscal biennium, the legislature may transfer  
24 from the state treasurer's service fund to the state general fund such  
25 amounts as reflect the excess fund balance of the fund.

26 **Sec. 915.** RCW 43.10.180 and 1979 c 151 s 95 are each amended to  
27 read as follows:

28 (1) The attorney general shall keep such records as are necessary  
29 to facilitate proper allocation of costs to funds and agencies served  
30 and the director of financial management shall prescribe appropriate  
31 accounting procedures to accurately allocate costs to funds and  
32 agencies served. Billings shall be adjusted in line with actual costs  
33 incurred at intervals not to exceed six months.

34 (2) During the 2003-05 fiscal biennium, all expenses for  
35 administration of the office of the attorney general shall be allocated

1 to and paid from the legal services revolving fund in accordance with  
2 accounting procedures prescribed by the director of financial  
3 management.

4 **Sec. 916.** RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c  
5 289 s 4 are each reenacted and amended to read as follows:

6 The money received by the state treasurer from fees, fines,  
7 forfeitures, penalties, reimbursements or assessments by any court  
8 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be  
9 deposited in the public safety and education account which is hereby  
10 created in the state treasury. The legislature shall appropriate the  
11 funds in the account to promote traffic safety education, highway  
12 safety, criminal justice training, crime victims' compensation,  
13 judicial education, the judicial information system, civil  
14 representation of indigent persons, winter recreation parking, drug  
15 court operations, and state game programs. During the fiscal biennium  
16 ending June 30, (~~2003~~) 2005, the legislature may appropriate moneys  
17 from the public safety and education account for purposes of appellate  
18 indigent defense and other operations of the office of public defense,  
19 the criminal litigation unit of the attorney general's office, the  
20 treatment alternatives to street crimes program, crime victims advocacy  
21 programs, justice information network telecommunication planning,  
22 treatment for supplemental security income clients, sexual assault  
23 treatment, operations of the office of administrator for the courts,  
24 security in the common schools, alternative school start-up grants,  
25 programs for disruptive students, criminal justice data collection,  
26 Washington state patrol criminal justice activities, drug court  
27 operations, unified family courts, local court backlog assistance,  
28 financial assistance to local jurisdictions for extraordinary costs  
29 incurred in the adjudication of criminal cases, domestic violence  
30 treatment and related services, the department of corrections' costs in  
31 implementing chapter 196, Laws of 1999, reimbursement of local  
32 governments for costs associated with implementing criminal and civil  
33 justice legislation, the replacement of the department of corrections'  
34 offender-based tracking system, secure and semi-secure crisis  
35 residential centers, HOPE beds, the family policy council and community

1 public health and safety networks, the street youth program, and  
2 narcotics or methamphetamine-related enforcement, education, training,  
3 and drug and alcohol treatment services.

4 **Sec. 917.** RCW 43.43.944 and 1999 c 117 s 2 are each amended to  
5 read as follows:

6 (1) The fire service training account is hereby established in the  
7 state treasury. The fund shall consist of:

8 (a) All fees received by the Washington state patrol for fire  
9 service training;

10 (b) All grants and bequests accepted by the Washington state patrol  
11 under RCW 43.43.940; and

12 (c) Twenty percent of all moneys received by the state on fire  
13 insurance premiums.

14 (2) Moneys in the account may be appropriated only for fire service  
15 training. During the 2003-2005 fiscal biennium, the legislature may  
16 appropriate funds from this account for school fire prevention  
17 activities within the Washington state patrol.

18 **Sec. 918.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,  
19 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as  
20 follows:

21 (1) The emergency reserve fund is established in the state  
22 treasury. During each fiscal year, the state treasurer shall deposit  
23 in the emergency reserve fund all general fund--state revenues in  
24 excess of the state expenditure limit for that fiscal year. Deposits  
25 shall be made at the end of each fiscal quarter based on projections of  
26 state revenues and the state expenditure limit. The treasurer shall  
27 make transfers between these accounts as necessary to reconcile actual  
28 annual revenues and the expenditure limit for fiscal year 2000 and  
29 thereafter.

30 (2) The legislature may appropriate moneys from the emergency  
31 reserve fund only with approval of at least two-thirds of the members  
32 of each house of the legislature, and then only if the appropriation  
33 does not cause total expenditures to exceed the state expenditure limit  
34 under this chapter.



1 (3) The emergency reserve fund balance shall not exceed five  
2 percent of annual general fund--state revenues as projected by the  
3 official state revenue forecast. Any balance in excess of five percent  
4 shall be transferred on a quarterly basis by the state treasurer as  
5 follows: Seventy-five percent to the student achievement fund hereby  
6 created in the state treasury and twenty-five percent to the general  
7 fund balance. The treasurer shall make transfers between these  
8 accounts as necessary to reconcile actual annual revenues for fiscal  
9 year 2000 and thereafter. When per-student state funding for the  
10 maintenance and operation of K-12 education meets a level of no less  
11 than ninety percent of the national average of total funding from all  
12 sources per student as determined by the most recent published data  
13 from the national center for education statistics of the United States  
14 department of education, as calculated by the office of financial  
15 management, further deposits to the student achievement fund shall be  
16 required only to the extent necessary to maintain the ninety-percent  
17 level. Remaining funds are part of the general fund balance and these  
18 funds are subject to the expenditure limits of this chapter.

19 (4) The education construction fund is hereby created in the state  
20 treasury.

21 (a) Funds may be appropriated from the education construction fund  
22 exclusively for common school construction or higher education  
23 construction.

24 (b) Funds may be appropriated for any other purpose only if  
25 approved by a two-thirds vote of each house of the legislature and if  
26 approved by a vote of the people at the next general election. An  
27 appropriation approved by the people under this subsection shall result  
28 in an adjustment to the state expenditure limit only for the fiscal  
29 period for which the appropriation is made and shall not affect any  
30 subsequent fiscal period.

31 (5) Funds from the student achievement fund shall be appropriated  
32 to the superintendent of public instruction strictly for distribution  
33 to school districts to meet the provisions set out in the student  
34 achievement act. Allocations shall be made on an equal per full-time  
35 equivalent student basis to each school district.

36 (6) Earnings of the emergency reserve fund under RCW  
37 43.84.092(4)(a) shall be transferred quarterly to the multimodal

1 transportation account, except for those earnings that are in excess of  
2 thirty-five million dollars each fiscal year. However, during the  
3 2003-05 fiscal biennium, earnings of the emergency reserve fund shall  
4 not be transferred. Within thirty days following any fiscal year in  
5 which earnings transferred to the multimodal transportation account  
6 under this subsection did not total thirty-five million dollars, the  
7 state treasurer shall transfer from the emergency reserve fund an  
8 amount necessary to bring the total deposited in the multimodal  
9 transportation account under this subsection to thirty-five million  
10 dollars. The revenues to the multimodal transportation account  
11 reflected in this subsection provide ongoing support for the  
12 transportation programs of the state. However, it is the intent of the  
13 legislature that any new long-term financial support that may be  
14 subsequently provided for transportation programs will be used to  
15 replace and supplant the revenues reflected in this subsection, thereby  
16 allowing those revenues to be returned to the purposes to which they  
17 were previously dedicated.

18 **Sec. 919.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to  
19 read as follows:

20 (1) As used in this section:

21 (a) "Organization" means every insurer, as defined in RCW  
22 48.01.050, having a certificate of authority to do business in this  
23 state and every health care service contractor registered to do  
24 business in this state. "Class one" organizations shall consist of all  
25 insurers as defined in RCW 48.01.050. "Class two" organizations shall  
26 consist of all organizations registered under provisions of chapter  
27 48.44 RCW.

28 (b) "Receipts" means (i) net direct premiums consisting of direct  
29 gross premiums, as defined in RCW 48.18.170, paid for insurance written  
30 or renewed upon risks or property resident, situated, or to be  
31 performed in this state, less return premiums and premiums on policies  
32 not taken, dividends paid or credited to policyholders on direct  
33 business, and premiums received from policies or contracts issued in  
34 connection with qualified plans as defined in RCW 48.14.021, and (ii)  
35 prepayments to health care service contractors as set forth in RCW

1 48.44.010(3) less experience rating credits, dividends, prepayments  
2 returned to subscribers, and payments for contracts not taken.

3 (2) The annual cost of operating the office of insurance  
4 commissioner shall be determined by legislative appropriation. A pro  
5 rata share of the cost shall be charged to all organizations. Each  
6 class of organization shall contribute sufficient in fees to the  
7 insurance commissioner's regulatory account to pay the reasonable  
8 costs, including overhead, of regulating that class of organization.

9 (3) Fees charged shall be calculated separately for each class of  
10 organization. The fee charged each organization shall be that portion  
11 of the cost of operating the insurance commissioner's office, for that  
12 class of organization, for the ensuing fiscal year that is represented  
13 by the organization's portion of the receipts collected or received by  
14 all organizations within that class on business in this state during  
15 the previous calendar year: PROVIDED, That the fee shall not exceed  
16 one-eighth of one percent of receipts: PROVIDED FURTHER, That the  
17 minimum fee shall be one thousand dollars.

18 (4) The commissioner shall annually, on or before June 1, calculate  
19 and bill each organization for the amount of its fee. Fees shall be  
20 due and payable no later than June 15 of each year: PROVIDED, That if  
21 the necessary financial records are not available or if the amount of  
22 the legislative appropriation is not determined in time to carry out  
23 such calculations and bill such fees within the time specified, the  
24 commissioner may use the fee factors for the prior year as the basis  
25 for the fees and, if necessary, the commissioner may impose  
26 supplemental fees to fully and properly charge the organizations. The  
27 penalties for failure to pay fees when due shall be the same as the  
28 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees  
29 required by this section are in addition to all other taxes and fees  
30 now imposed or that may be subsequently imposed.

31 (5) All moneys collected shall be deposited in the insurance  
32 commissioner's regulatory account in the state treasury which is hereby  
33 created.

34 (6) Unexpended funds in the insurance commissioner's regulatory  
35 account at the close of a fiscal year shall be carried forward in the  
36 insurance commissioner's regulatory account to the succeeding fiscal  
37 year and shall be used to reduce future fees. During the ((2001-2003))

1 2003-2005 fiscal biennium, the legislature may transfer from the  
2 insurance commissioner's regulatory account to the state general fund  
3 such amounts as reflect excess fund balance in the account.

4 **Sec. 920.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to  
5 read as follows:

6 (1) The department shall administer this chapter.

7 (2) The director of the department shall adopt, in accordance with  
8 chapters 34.05 and 49.17 RCW, rules necessary to carry out this  
9 chapter.

10 (3) The department shall prescribe fees for the issuance and  
11 renewal of certificates, including recertification, and the  
12 administration of examinations, and for the review of training courses.

13 (4) The asbestos account is hereby established in the state  
14 treasury. All fees collected under this chapter shall be deposited in  
15 the account. Moneys in the account shall be spent after appropriation  
16 only for costs incurred by the department in the administration and  
17 enforcement of this chapter. Disbursements from the account shall be  
18 on authorization of the director of the department or the director's  
19 designee.

20 (5) During the 2003-2005 fiscal biennium, the legislature may  
21 transfer from the asbestos account to the state general fund such  
22 amounts as reflect the excess fund balance in the account.

23 **Sec. 921.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to  
24 read as follows:

25 The industrial insurance premium refund account is created in the  
26 custody of the state treasurer. All industrial insurance refunds  
27 earned by state agencies or institutions of higher education under the  
28 state fund retrospective rating program shall be deposited into the  
29 account. The account is subject to the allotment procedures under  
30 chapter 43.88 RCW, but no appropriation is required for expenditures  
31 from the account. Only the executive head of the agency or institution  
32 of higher education, or designee, may authorize expenditures from the  
33 account. No agency or institution of higher education may make an  
34 expenditure from the account for an amount greater than the refund  
35 earned by the agency. If the agency or institution of higher education

1 has staff dedicated to workers' compensation claims management,  
2 expenditures from the account must be used to pay for that staff, but  
3 additional expenditure from the account may be used for any program  
4 within an agency or institution of higher education that promotes or  
5 provides incentives for employee workplace safety and health and early,  
6 appropriate return-to-work for injured employees. During the ((2001-  
7 2003)) 2003-2005 fiscal biennium, the legislature may transfer from the  
8 industrial insurance premium refund account to the state general fund  
9 such amounts as reflect the ((~~reductions made by the 2002 supplemental~~  
10 ~~appropriations act for administrative efficiencies and savings~~)) excess  
11 fund balance of the account.

12 **Sec. 922.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to  
13 read as follows:

14 (1) The proceeds from the sale of the bonds authorized in RCW  
15 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and  
16 67.40.130, and all other moneys received by the state convention and  
17 trade center from any public or private source which are intended to  
18 fund the acquisition, design, construction, expansion, exterior cleanup  
19 and repair of the Eagles building, conversion of various retail and  
20 other space to meeting rooms, purchase of the land and building known  
21 as the McKay Parcel, development of low-income housing, or renovation  
22 of the center, and those expenditures authorized under RCW 67.40.170  
23 shall be deposited in the state convention and trade center account  
24 hereby created in the state treasury and in such subaccounts as are  
25 deemed appropriate by the directors of the corporation.

26 (2) Moneys in the account, including unanticipated revenues under  
27 RCW 43.79.270, shall be used exclusively for the following purposes in  
28 the following priority:

29 (a) For reimbursement of the state general fund under RCW  
30 67.40.060;

31 (b) After appropriation by statute:

32 (i) For payment of expenses incurred in the issuance and sale of  
33 the bonds issued under RCW 67.40.030;

34 (ii) For expenditures authorized in RCW 67.40.170;

35 (iii) For acquisition, design, and construction of the state  
36 convention and trade center; and

1 (iv) For reimbursement of any expenditures from the state general  
2 fund in support of the state convention and trade center; and

3 (c) For transfer to the state convention and trade center  
4 operations account.

5 (3) The corporation shall identify with specificity those  
6 facilities of the state convention and trade center that are to be  
7 financed with proceeds of general obligation bonds, the interest on  
8 which is intended to be excluded from gross income for federal income  
9 tax purposes. The corporation shall not permit the extent or manner of  
10 private business use of those bond-financed facilities to be  
11 inconsistent with treatment of such bonds as governmental bonds under  
12 applicable provisions of the Internal Revenue Code of 1986, as amended.

13 (4) In order to ensure consistent treatment of bonds authorized  
14 under RCW 67.40.030 with applicable provisions of the Internal Revenue  
15 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment  
16 earnings on bond proceeds deposited in the state convention and trade  
17 center account in the state treasury shall be retained in the account,  
18 and shall be expended by the corporation for the purposes authorized  
19 under chapter 386, Laws of 1995 and in a manner consistent with  
20 applicable provisions of the Internal Revenue Code of 1986, as amended.

21 (5) During the 2003-2005 fiscal biennium, the legislature may  
22 transfer from the state convention and trade center account to the  
23 state general fund such amounts as reflect the excess fund balance of  
24 the account.

25 **Sec. 923.** RCW 69.50.520 and 2002 c 371 s 920 are each amended to  
26 read as follows:

27 The violence reduction and drug enforcement account is created in  
28 the state treasury. All designated receipts from RCW 9.41.110(8),  
29 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),  
30 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989  
31 shall be deposited into the account. Expenditures from the account may  
32 be used only for funding services and programs under chapter 271, Laws  
33 of 1989 and chapter 7, Laws of 1994 sp. sess., including state  
34 incarceration costs. Funds from the account may also be appropriated  
35 to reimburse local governments for costs associated with implementing  
36 criminal justice legislation including chapter 338, Laws of 1997.

1 During the (~~2001-~~) 2003-2005 biennium, funds from the account may  
2 also be used for costs associated with providing grants to local  
3 governments in accordance with chapter 338, Laws of 1997, (~~the~~  
4 ~~replacement of the department of corrections' offender based tracking~~  
5 ~~system)) funding drug offender treatment services in accordance with  
6 RCW 70.96A.350, maintenance and operating costs of the Washington  
7 association of sheriffs and police chiefs jail reporting system,  
8 (~~civil indigent legal representation, and for~~) multijurisdictional  
9 narcotics task forces(~~. After July 1, 2003, at least seven and one~~  
10 ~~half percent of expenditures from the account shall be used for~~  
11 ~~providing)), and grants to community networks under chapter 70.190 RCW  
12 by the family policy council.~~~~

13 **Sec. 924.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to  
14 read as follows:

15 The chief inspector shall give an official receipt for all fees  
16 required by chapter 70.79 RCW and shall transfer all sums so received  
17 to the treasurer of the state of Washington as ex officio custodian  
18 thereof and (~~by him, as such custodian,~~) the treasurer shall place  
19 (~~said~~) all sums in a special fund hereby created and designated as  
20 the "pressure systems safety fund". (~~Said~~) Funds (~~by him~~) shall be  
21 paid out upon vouchers duly and regularly issued therefor and approved  
22 by the director of the department of labor and industries. The  
23 treasurer, as ex officio custodian of (~~said~~) the fund, shall keep an  
24 accurate record of any payments into (~~said~~) the fund, and of all  
25 disbursements therefrom. (~~Said~~) The fund shall be used exclusively  
26 to defray only the expenses of administering chapter 70.79 RCW by the  
27 chief inspector as authorized by law and the expenses incident to the  
28 maintenance of (~~his~~) the office. The fund shall be charged with its  
29 pro rata share of the cost of administering (~~said~~) the fund which is  
30 to be determined by the director of financial management and by the  
31 director of the department of labor and industries.

32 During the 2003-2005 fiscal biennium, the legislature may transfer  
33 from the pressure systems safety fund to the state general fund such  
34 amounts as reflect the excess fund balance of the fund.

1           **Sec. 925.** RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each  
2 amended to read as follows:

3           (1) The wood stove education and enforcement account is hereby  
4 created in the state treasury. Money placed in the account shall  
5 include all money received under subsection (2) of this section and any  
6 other money appropriated by the legislature. Money in the account  
7 shall be spent for the purposes of the wood stove education program  
8 established under RCW 70.94.480 and for enforcement of the wood stove  
9 program, and shall be subject to legislative appropriation. However,  
10 during the 2003-05 fiscal biennium, the legislature may transfer from  
11 the wood stove education and enforcement account to the air pollution  
12 control account such amounts as specified in the omnibus operating  
13 budget bill.

14           (2) The department of ecology, with the advice of the advisory  
15 committee, shall set a flat fee of thirty dollars, on the retail sale,  
16 as defined in RCW 82.04.050, of each solid fuel burning device after  
17 January 1, 1992. The fee shall be imposed upon the consumer and shall  
18 not be subject to the retail sales tax provisions of chapters 82.08 and  
19 82.12 RCW. The fee may be adjusted annually above thirty dollars to  
20 account for inflation as determined by the state office of the economic  
21 and revenue forecast council. The fee shall be collected by the  
22 department of revenue in conjunction with the retail sales tax under  
23 chapter 82.08 RCW. If the seller fails to collect the fee herein  
24 imposed or fails to remit the fee to the department of revenue in the  
25 manner prescribed in chapter 82.08 RCW, the seller shall be personally  
26 liable to the state for the amount of the fee. The collection  
27 provisions of chapter 82.32 RCW shall apply. The department of revenue  
28 shall deposit fees collected under this section in the wood stove  
29 education and enforcement account.

30           **Sec. 926.** RCW 70.105D.070 and 2001 c 27 s 2 are each amended to  
31 read as follows:

32           (1) The state toxics control account and the local toxics control  
33 account are hereby created in the state treasury.

34           (2) The following moneys shall be deposited into the state toxics  
35 control account: (a) Those revenues which are raised by the tax  
36 imposed under RCW 82.21.030 and which are attributable to that portion



1 of the rate equal to thirty-three one-hundredths of one percent; (b)  
2 the costs of remedial actions recovered under this chapter or chapter  
3 70.105A RCW; (c) penalties collected or recovered under this chapter;  
4 and (d) any other money appropriated or transferred to the account by  
5 the legislature. Moneys in the account may be used only to carry out  
6 the purposes of this chapter, including but not limited to the  
7 following activities:

8 (i) The state's responsibility for hazardous waste planning,  
9 management, regulation, enforcement, technical assistance, and public  
10 education required under chapter 70.105 RCW;

11 (ii) The state's responsibility for solid waste planning,  
12 management, regulation, enforcement, technical assistance, and public  
13 education required under chapter 70.95 RCW;

14 (iii) The hazardous waste cleanup program required under this  
15 chapter;

16 (iv) State matching funds required under the federal cleanup law;

17 (v) Financial assistance for local programs in accordance with  
18 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

19 (vi) State government programs for the safe reduction, recycling,  
20 or disposal of hazardous wastes from households, small businesses, and  
21 agriculture;

22 (vii) Hazardous materials emergency response training;

23 (viii) Water and environmental health protection and monitoring  
24 programs;

25 (ix) Programs authorized under chapter 70.146 RCW;

26 (x) A public participation program, including regional citizen  
27 advisory committees;

28 (xi) Public funding to assist potentially liable persons to pay for  
29 the costs of remedial action in compliance with cleanup standards under  
30 RCW 70.105D.030(2)(e) but only when the amount and terms of such  
31 funding are established under a settlement agreement under RCW  
32 70.105D.040(4) and when the director has found that the funding will  
33 achieve both (A) a substantially more expeditious or enhanced cleanup  
34 than would otherwise occur, and (B) the prevention or mitigation of  
35 unfair economic hardship; and

36 (xii) Development and demonstration of alternative management

1 technologies designed to carry out the top two hazardous waste  
2 management priorities of RCW 70.105.150.

3 (3) The following moneys shall be deposited into the local toxics  
4 control account: Those revenues which are raised by the tax imposed  
5 under RCW 82.21.030 and which are attributable to that portion of the  
6 rate equal to thirty-seven one-hundredths of one percent.

7 (a) Moneys deposited in the local toxics control account shall be  
8 used by the department for grants or loans to local governments for the  
9 following purposes in descending order of priority: (i) Remedial  
10 actions; (ii) hazardous waste plans and programs under chapter 70.105  
11 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C,  
12 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the  
13 assessment and cleanup of sites of methamphetamine production, but not  
14 to be used for the initial containment of such sites, consistent with  
15 the responsibilities and intent of RCW 69.50.511; and (v) cleanup and  
16 disposal of hazardous substances from abandoned or derelict vessels  
17 that pose a threat to human health or the environment. For purposes of  
18 this subsection (3)(a)(v), "abandoned or derelict vessels" means  
19 vessels that have little or no value and either have no identified  
20 owner or have an identified owner lacking financial resources to clean  
21 up and dispose of the vessel. Funds for plans and programs shall be  
22 allocated consistent with the priorities and matching requirements  
23 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During  
24 the 1999-2001 fiscal biennium, moneys in the account may also be used  
25 for the following activities: Conducting a study of whether dioxins  
26 occur in fertilizers, soil amendments, and soils; reviewing  
27 applications for registration of fertilizers; and conducting a study of  
28 plant uptake of metals. During the 2003-05 fiscal biennium, the  
29 legislature may transfer from the local toxics control account to the  
30 state toxics control account such amounts as specified in the omnibus  
31 operating budget bill for methamphetamine lab cleanup.

32 (b) Funds may also be appropriated to the department of health to  
33 implement programs to reduce testing requirements under the federal  
34 safe drinking water act for public water systems. The department of  
35 health shall reimburse the account from fees assessed under RCW  
36 70.119A.115 by June 30, 1995.

1 (4) Except for unanticipated receipts under RCW 43.79.260 through  
2 43.79.282, moneys in the state and local toxics control accounts may be  
3 spent only after appropriation by statute.

4 (5) One percent of the moneys deposited into the state and local  
5 toxics control accounts shall be allocated only for public  
6 participation grants to persons who may be adversely affected by a  
7 release or threatened release of a hazardous substance and to not-for-  
8 profit public interest organizations. The primary purpose of these  
9 grants is to facilitate the participation by persons and organizations  
10 in the investigation and remedying of releases or threatened releases  
11 of hazardous substances and to implement the state's solid and  
12 hazardous waste management priorities. However, during the 1999-2001  
13 fiscal biennium, funding may not be granted to entities engaged in  
14 lobbying activities, and applicants may not be awarded grants if their  
15 cumulative grant awards under this section exceed two hundred thousand  
16 dollars. No grant may exceed sixty thousand dollars. Grants may be  
17 renewed annually. Moneys appropriated for public participation from  
18 either account which are not expended at the close of any biennium  
19 shall revert to the state toxics control account.

20 (6) No moneys deposited into either the state or local toxics  
21 control account may be used for solid waste incinerator feasibility  
22 studies, construction, maintenance, or operation.

23 (7) The department shall adopt rules for grant or loan issuance and  
24 performance.

25 **Sec. 927.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to  
26 read as follows:

27 (1) The water quality account is hereby created in the state  
28 treasury. Moneys in the account may be used only in a manner  
29 consistent with this chapter. Moneys deposited in the account shall be  
30 administered by the department of ecology and shall be subject to  
31 legislative appropriation. Moneys placed in the account shall include  
32 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,  
33 principal and interest from the repayment of any loans granted pursuant  
34 to this chapter, and any other moneys appropriated to the account by  
35 the legislature.

1 (2) The department may use or permit the use of any moneys in the  
2 account to make grants or loans to public bodies, including grants to  
3 public bodies as cost-sharing moneys in any case where federal, local,  
4 or other funds are made available on a cost-sharing basis, for water  
5 pollution control facilities and activities, or for purposes of  
6 assisting a public body to obtain an ownership interest in water  
7 pollution control facilities and/or to defray a part of the payments  
8 made by a public body to a service provider under a service agreement  
9 entered into pursuant to RCW 70.150.060, within the purposes of this  
10 chapter and for related administrative expenses. For the period July  
11 1, (~~2001~~) 2003, to June 30, (~~2003~~) 2005, moneys in the account may  
12 be used to process applications received by the department that seek to  
13 make changes to or transfer existing water rights and for grants and  
14 technical assistance to public bodies for watershed planning under  
15 chapter 90.82 RCW. No more than three percent of the moneys deposited  
16 in the account may be used by the department to pay for the  
17 administration of the grant and loan program authorized by this  
18 chapter.

19 (3) Beginning with the biennium ending June 30, 1997, the  
20 department shall present a biennial progress report on the use of  
21 moneys from the account to the chairs of the senate committee on ways  
22 and means and the house of representatives committee on appropriations.  
23 The first report is due June 30, 1996, and the report for each  
24 succeeding biennium is due December 31 of the odd-numbered year. The  
25 report shall consist of a list of each recipient, project description,  
26 and amount of the grant, loan, or both.

27 **Sec. 928.** RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended  
28 to read as follows:

29 Within thirty days after June 30, 1987, and within thirty days  
30 after each succeeding fiscal year thereafter, the state treasurer shall  
31 determine the tax receipts deposited into the water quality account for  
32 the preceding fiscal year. If the tax receipts deposited into the  
33 account in each of the fiscal years 1988 and 1989 are less than forty  
34 million dollars, the state treasurer shall transfer sufficient moneys  
35 from general state revenues into the water quality account to bring the  
36 total receipts in each fiscal year up to forty million dollars.

1 For the biennium ending June 30, 1991, if the tax receipts  
2 deposited into the water quality account and the earnings on investment  
3 of balances credited to the account are less than ninety million  
4 dollars, the treasurer shall transfer sufficient moneys from general  
5 state revenues into the water quality account to bring the total  
6 revenue up to ninety million dollars. The determination and transfer  
7 shall be made by July 31, 1991.

8 For fiscal year 1992 and for fiscal years 1995 and 1996 and  
9 thereafter, if the tax receipts deposited into the water quality  
10 account for each fiscal year are less than forty-five million dollars,  
11 the treasurer shall transfer sufficient moneys from general state  
12 revenues into the water quality account to bring the total revenue up  
13 to forty-five million dollars. However, during the 2003-05 fiscal  
14 biennium, the legislature may specify the transfer of a different  
15 amount in the operating budget bill. Determinations and transfers  
16 shall be made by July 31 for the preceding fiscal year.

17 **Sec. 929.** RCW 72.11.040 and 2001 2nd sp.s. c 7 s 919 are each  
18 amended to read as follows:

19 The cost of supervision fund is created in the custody of the state  
20 treasurer. All receipts from assessments made under RCW 9.94A.780 and  
21 72.04A.120 shall be deposited into the fund. Expenditures from the  
22 fund may be used only to support the collection of legal financial  
23 obligations. During the ((2001-))2003-2005 biennium, funds from the  
24 account may also be used for costs associated with the department's  
25 supervision of the offenders in the community. Only the secretary of  
26 the department of corrections or the secretary's designee may authorize  
27 expenditures from the fund. The fund is subject to allotment  
28 procedures under chapter 43.88 RCW, but no appropriation is required  
29 for expenditures.

30 **Sec. 930.** RCW 76.12.170 and 1988 c 128 s 36 are each amended to  
31 read as follows:

32 All receipts from the sale of stock or seed shall be deposited in  
33 a state forest nursery revolving fund to be maintained by the  
34 department, which is hereby authorized to use all money in said fund

1 for the maintenance of the state tree nursery or the planting of  
2 denuded state owned lands.

3 During the 2003-2005 fiscal biennium, the legislature may transfer  
4 from the state forest nursery revolving fund to the state general fund  
5 such amounts as reflect the excess fund balance of the fund.

6 **Sec. 931.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to  
7 read as follows:

8 There is created in the state treasury a public service revolving  
9 fund. Regulatory fees payable by all types of public service companies  
10 shall be deposited to the credit of the public service revolving fund.  
11 Except for expenses payable out of the pipeline safety account, all  
12 expense of operation of the Washington utilities and transportation  
13 commission shall be payable out of the public service revolving fund.

14 During the ((2001-2003)) 2003-2005 fiscal biennium, the legislature  
15 may transfer from the public service revolving fund to the state  
16 general fund such amounts as reflect the ((~~appropriations reductions~~  
17 ~~made by the 2002 supplemental appropriations act for administrative~~  
18 ~~efficiencies and savings~~)) excess fund balance of the fund.

19 **Sec. 932.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to  
20 read as follows:

21 There is created in the state treasury a special account to be  
22 known as the "county sales and use tax equalization account." Into  
23 this account shall be placed a portion of all motor vehicle excise tax  
24 receipts as provided in RCW 82.44.110. Funds in this account shall be  
25 allocated by the state treasurer according to the following procedure:

26 (1) Prior to April 1st of each year the director of revenue shall  
27 inform the state treasurer of the total and the per capita levels of  
28 revenues for the unincorporated area of each county and the statewide  
29 weighted average per capita level of revenues for the unincorporated  
30 areas of all counties imposing the sales and use tax authorized under  
31 RCW 82.14.030(1) for the previous calendar year.

32 (2) At such times as distributions are made under RCW 82.44.150,  
33 the state treasurer shall apportion to each county imposing the sales  
34 and use tax under RCW 82.14.030(1) at the maximum rate and receiving  
35 less than one hundred fifty thousand dollars from the tax for the

1 previous calendar year, an amount from the county sales and use tax  
2 equalization account sufficient, when added to the amount of revenues  
3 received the previous calendar year by the county, to equal one hundred  
4 fifty thousand dollars.

5 The department of revenue shall establish a governmental price  
6 index as provided in this subsection. The base year for the index  
7 shall be the end of the third quarter of 1982. Prior to November 1,  
8 1983, and prior to each November 1st thereafter, the department of  
9 revenue shall establish another index figure for the third quarter of  
10 that year. The department of revenue may use the implicit price  
11 deflators for state and local government purchases of goods and  
12 services calculated by the United States department of commerce to  
13 establish the governmental price index. Beginning on January 1, 1984,  
14 and each January 1st thereafter, the one hundred fifty thousand dollar  
15 base figure in this subsection shall be adjusted in direct proportion  
16 to the percentage change in the governmental price index from 1982  
17 until the year before the adjustment. Distributions made under this  
18 subsection for 1984 and thereafter shall use this adjusted base amount  
19 figure.

20 (3) Subsequent to the distributions under subsection (2) of this  
21 section and at such times as distributions are made under RCW  
22 82.44.150, the state treasurer shall apportion to each county imposing  
23 the sales and use tax under RCW 82.14.030(1) at the maximum rate and  
24 receiving less than seventy percent of the statewide weighted average  
25 per capita level of revenues for the unincorporated areas of all  
26 counties as determined by the department of revenue under subsection  
27 (1) of this section, an amount from the county sales and use tax  
28 equalization account sufficient, when added to the per capita level of  
29 revenues for the unincorporated area received the previous calendar  
30 year by the county, to equal seventy percent of the statewide weighted  
31 average per capita level of revenues for the unincorporated areas of  
32 all counties determined under subsection (1) of this section, subject  
33 to reduction under subsections (6) and (7) of this section. When  
34 computing distributions under this section, any distribution under  
35 subsection (2) of this section shall be considered revenues received  
36 from the tax imposed under RCW 82.14.030(1) for the previous calendar  
37 year.

1           (4) Subsequent to the distributions under subsection (3) of this  
2 section and at such times as distributions are made under RCW  
3 82.44.150, the state treasurer shall apportion to each county imposing  
4 the sales and use tax under RCW 82.14.030(2) at the maximum rate and  
5 receiving a distribution under subsection (2) of this section, a third  
6 distribution from the county sales and use tax equalization account.  
7 The distribution to each qualifying county shall be equal to the  
8 distribution to the county under subsection (2) of this section,  
9 subject to the reduction under subsections (6) and (7) of this section.  
10 To qualify for the total distribution under this subsection, the county  
11 must impose the tax under RCW 82.14.030(2) for the entire calendar  
12 year. Counties imposing the tax for less than the full year shall  
13 qualify for prorated allocations under this subsection proportionate to  
14 the number of months of the year during which the tax is imposed.

15           (5) Subsequent to the distributions under subsection (4) of this  
16 section and at such times as distributions are made under RCW  
17 82.44.150, the state treasurer shall apportion to each county imposing  
18 the sales and use tax under RCW 82.14.030(2) at the maximum rate and  
19 receiving a distribution under subsection (3) of this section, a fourth  
20 distribution from the county sales and use tax equalization account.  
21 The distribution to each qualifying county shall be equal to the  
22 distribution to the county under subsection (3) of this section,  
23 subject to the reduction under subsections (6) and (7) of this section.  
24 To qualify for the distributions under this subsection, the county must  
25 impose the tax under RCW 82.14.030(2) for the entire calendar year.  
26 Counties imposing the tax for less than the full year shall qualify for  
27 prorated allocations under this subsection proportionate to the number  
28 of months of the year during which the tax is imposed.

29           (6) Revenues distributed under subsections (2) through (5) of this  
30 section in any calendar year shall not exceed an amount equal to  
31 seventy percent of the statewide weighted average per capita level of  
32 revenues for the unincorporated areas of all counties during the  
33 previous calendar year. If distributions under subsections (3) through  
34 (5) of this section cannot be made because of this limitation, then  
35 distributions under subsections (3) through (5) of this section shall  
36 be reduced ratably among the qualifying counties.



1 (7) If inadequate revenues exist in the county sales and use tax  
2 equalization account to make the distributions under subsections (3)  
3 through (5) of this section, then the distributions under subsections  
4 (3) through (5) of this section shall be reduced ratably among the  
5 qualifying counties. At such time during the year as additional funds  
6 accrue to the county sales and use tax equalization account, additional  
7 distributions shall be made under subsections (3) through (5) of this  
8 section to the counties.

9 (8) If the level of revenues in the county sales and use tax  
10 equalization account exceeds the amount necessary to make the  
11 distributions under subsections (2) through (5) of this section, at  
12 such times as distributions are made under RCW 82.44.150, the state  
13 treasurer shall apportion an amount to the county public health account  
14 created in RCW 70.05.125 equal to the adjustment under RCW  
15 70.05.125(2)(b).

16 (9) If the level of revenues in the county sales and use tax  
17 equalization account exceeds the amount necessary to make the  
18 distributions under subsections (2) through (5) and (8) of this  
19 section, then the additional revenues shall be credited and transferred  
20 as follows:

21 (a) Fifty percent to the public facilities construction loan  
22 revolving account under RCW 43.160.080; and

23 (b) Fifty percent to the distressed county public facilities  
24 construction loan account under RCW 43.160.220, or so much thereof as  
25 will not cause the balance in the account to exceed twenty-five million  
26 dollars. Any remaining funds shall be deposited into the public  
27 facilities construction loan revolving account.

28 (10) During the 2003-2005 fiscal biennium, the legislature may  
29 transfer from the county sales and use tax equalization account to the  
30 state general fund such amounts as reflect the excess fund balance of  
31 the account.

32 **Sec. 933.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read  
33 as follows:

34 There is created in the state treasury a special account to be  
35 known as the "municipal sales and use tax equalization account." Into

1 this account shall be placed such revenues as are provided under RCW  
2 82.44.110(1)(e). Funds in this account shall be allocated by the state  
3 treasurer according to the following procedure:

4 (1) Prior to January 1st of each year the department of revenue  
5 shall determine the total and the per capita levels of revenues for  
6 each city and the statewide weighted average per capita level of  
7 revenues for all cities imposing the sales and use tax authorized under  
8 RCW 82.14.030(1) for the previous calendar year.

9 (2) At such times as distributions are made under RCW 82.44.150,  
10 the state treasurer shall apportion to each city not imposing the sales  
11 and use tax under RCW 82.14.030(2) an amount from the municipal sales  
12 and use tax equalization account equal to the amount distributed to the  
13 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

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 city 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 all cities as determined by the  
20 department of revenue under subsection (1) of this section, an amount  
21 from the municipal sales and use tax equalization account sufficient,  
22 when added to the per capita level of revenues received the previous  
23 calendar year by the city, to equal seventy percent of the statewide  
24 weighted average per capita level of revenues for all cities determined  
25 under subsection (1) of this section, subject to reduction under  
26 subsection (6) of this section.

27 (4) Subsequent to the distributions under subsection (3) of this  
28 section, and at such times as distributions are made under RCW  
29 82.44.150, the state treasurer shall apportion to each city imposing  
30 the sales and use tax under RCW 82.14.030(2) at the maximum rate and  
31 receiving a distribution under subsection (3) of this section, a third  
32 distribution from the municipal sales and use tax equalization account.  
33 The distribution to each qualifying city shall be equal to the  
34 distribution to the city under subsection (3) of this section, subject  
35 to the reduction under subsection (6) of this section. To qualify for  
36 the distributions under this subsection, the city must impose the tax  
37 under RCW 82.14.030(2) for the entire calendar year. Cities imposing

1 the tax for less than the full year shall qualify for prorated  
2 allocations under this subsection proportionate to the number of months  
3 of the year during which the tax is imposed.

4 (5) For a city with an official incorporation date after January 1,  
5 1990, municipal sales and use tax equalization distributions shall be  
6 made according to the procedures in this subsection. Municipal sales  
7 and use tax equalization distributions to eligible new cities shall be  
8 made at the same time as distributions are made under subsections (3)  
9 and (4) of this section. The department of revenue shall follow the  
10 estimating procedures outlined in this subsection until the new city  
11 has received a full year's worth of revenues under RCW 82.14.030(1) as  
12 of the January municipal sales and use tax equalization distribution.

13 (a) Whether a newly incorporated city determined to receive funds  
14 under this subsection receives its first equalization payment at the  
15 January, April, July, or October municipal sales and use tax  
16 equalization distribution shall depend on the date the city first  
17 imposes the tax authorized under RCW 82.14.030(1).

18 (i) A newly incorporated city imposing the tax authorized under RCW  
19 82.14.030(1) effective as of January 1st shall be eligible to receive  
20 funds under this subsection beginning with the April municipal sales  
21 and use tax equalization distribution of that year.

22 (ii) A newly incorporated city imposing the tax authorized under  
23 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st  
24 shall be eligible to receive funds under this subsection beginning with  
25 the July municipal sales and use tax equalization distribution of that  
26 year.

27 (iii) A newly incorporated city imposing the tax authorized under  
28 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall  
29 be eligible to receive funds under this subsection beginning with the  
30 October municipal sales and use tax equalization distribution of that  
31 year.

32 (iv) A newly incorporated city imposing the tax authorized under  
33 RCW 82.14.030(1) effective as of August 1st, September 1st, or October  
34 1st shall be eligible to receive funds under this subsection beginning  
35 with the January municipal sales and use tax equalization distribution  
36 of the next year.

1 (v) A newly incorporated city imposing the tax authorized under RCW  
2 82.14.030(1) effective as of November 1st or December 1st shall be  
3 eligible to receive funds under this subsection beginning with the  
4 April municipal sales and use tax equalization distribution of the next  
5 year.

6 (b) For purposes of calculating the amount of funds the new city  
7 should receive under this subsection, the department of revenue shall:

8 (i) Estimate the per capita amount of revenues from the tax  
9 authorized under RCW 82.14.030(1) that the new city would have received  
10 had the city received revenues from the tax the entire calendar year;

11 (ii) Calculate the amount provided under subsection (3) of this  
12 section based on the per capita revenues determined under (b)(i) of  
13 this subsection;

14 (iii) Prorate the amount determined under (b)(ii) of this  
15 subsection by the number of months the tax authorized under RCW  
16 82.14.030(1) is imposed.

17 (c) A new city imposing the tax under RCW 82.14.030(2) at the  
18 maximum rate and receiving a distribution calculated under (b) of this  
19 subsection shall receive another distribution from the municipal sales  
20 and use tax equalization account. This distribution shall be equal to  
21 the calculation made under (b)(ii) of this subsection, prorated by the  
22 number of months the city imposes the tax authorized under RCW  
23 82.14.030(2) at the full rate.

24 (d) The department of revenue shall advise the state treasurer of  
25 the amounts calculated under (b) and (c) of this subsection and the  
26 state treasurer shall distribute these amounts to the new city from the  
27 municipal sales and use tax equalization account subject to the  
28 limitations imposed in subsection (6) of this section.

29 (e) Revenues estimated under this subsection shall not affect the  
30 calculation of the statewide weighted average per capita level of  
31 revenues for all cities made under subsection (1) of this section.

32 (6) If inadequate revenues exist in the municipal sales and use tax  
33 equalization account to make the distributions under subsection (3),  
34 (4), or (5) of this section, then the distributions under subsections  
35 (3), (4), and (5) of this section shall be reduced ratably among the  
36 qualifying cities. At such time during the year as additional funds

1 accrue to the municipal sales and use tax equalization account,  
2 additional distributions shall be made under subsections (3), (4), and  
3 (5) of this section to the cities.

4 (7) If the level of revenues in the municipal sales and use tax  
5 equalization account exceeds the amount necessary to make the  
6 distributions under subsections (2) through (5) of this section, then  
7 the additional revenues shall be apportioned among the several cities  
8 within the state ratably on the basis of population as last determined  
9 by the office of financial management: PROVIDED, That no such  
10 distribution shall be made to those cities receiving a distribution  
11 under subsection (2) of this section.

12 (8) During the 2003-2005 fiscal biennium, the legislature may  
13 transfer from the municipal sales and use tax equalization account to  
14 the state general fund such amounts as reflect the excess fund balance  
15 in the account.

16 **Sec. 934.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to  
17 read as follows:

18 The flood control assistance account is hereby established in the  
19 state treasury. At the beginning of the 1997-99 fiscal biennium and  
20 each biennium thereafter the state treasurer shall transfer four  
21 million dollars from the general fund to the flood control assistance  
22 account. Moneys in the flood control assistance account may be spent  
23 only after appropriation for purposes specified under this chapter  
24 (~~or, during the 1997-99 fiscal biennium, for transfer to the disaster~~  
25 ~~response account~~). During the 2003-2005 fiscal biennium, the  
26 legislature may transfer from the flood control assistance account to  
27 the state general fund such amounts as reflect the excess fund balance  
28 of the account.

29 NEW SECTION. **Sec. 935.** If any provision of this act or its  
30 application to any person or circumstance is held invalid, the  
31 remainder of the act or the application of the provision to other  
32 persons or circumstances is not affected.

33 NEW SECTION. **Sec. 936.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the  
2 state government and its existing public institutions, and takes effect  
3 immediately.

(End of part)

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1 Correct the title.

--- END ---