

ESSB 5404 - H AMD TO APP COMM AMD (H-2882.4/03) **521**
By Representative Sehlin

FAILED 04/26/2003

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

3 "NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject
4 to the provisions set forth in the following sections, the several
5 amounts specified in parts I through VIII of this act, or so much
6 thereof as shall be sufficient to accomplish the purposes designated,
7 are hereby appropriated and authorized to be incurred for salaries,
8 wages, and other expenses of the agencies and offices of the state and
9 for other specified purposes for the fiscal biennium beginning July 1,
10 2003, and ending June 30, 2005, except as otherwise provided, out of
11 the several funds of the state hereinafter named.

12 (2) Unless the context clearly requires otherwise, the definitions
13 in this section apply throughout this act.

14 (a) "Fiscal year 2004" or "FY 2004" means the fiscal year ending
15 June 30, 2004.

16 (b) "Fiscal year 2005" or "FY 2005" means the fiscal year ending
17 June 30, 2005.

18 (c) "FTE" means full time equivalent.

19 (d) "Lapse" or "revert" means the amount shall return to an
20 unappropriated status.

21 (e) "Provided solely" means the specified amount may be spent only
22 for the specified purpose. Unless otherwise specifically authorized in
23 this act, any portion of an amount provided solely for a specified
24 purpose which is unnecessary to fulfill the specified purpose shall
25 lapse.

26

PART I

27

GENERAL GOVERNMENT

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

2 General Fund--State Appropriation (FY 2004) \$27,857,000
3 General Fund--State Appropriation (FY 2005) \$28,065,000
4 Department of Retirement Systems Expense Account--
5 State Appropriation \$45,000
6 TOTAL APPROPRIATION \$55,967,000

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

9 (1) \$25,000 of the general fund--state appropriation is provided
10 for allocation to Project Citizen, a program of the national conference
11 of state legislatures to promote student civic involvement.

12 (2) \$171,000 of the general fund--state appropriation is provided
13 for the legislative ethics board.

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

15 General Fund--State Appropriation (FY 2004) \$21,222,000
16 General Fund--State Appropriation (FY 2005) \$22,396,000
17 Department of Retirement Systems Expense Account--
18 State Appropriation \$45,000
19 TOTAL APPROPRIATION \$43,663,000

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

22 (1) \$25,000 of the general fund--state appropriation is provided
23 for allocation to Project Citizen, a program of the national conference
24 of state legislatures to promote student civic involvement.

25 (2) \$171,000 of the general fund--state appropriation is provided
26 for the legislative ethics board.

27 NEW SECTION. **Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
28 **COMMITTEE**

29 General Fund--State Appropriation (FY 2004) \$1,673,000
30 General Fund--State Appropriation (FY 2005) \$1,763,000
31 TOTAL APPROPRIATION \$3,436,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: The appropriations in this section provide
34 for several studies required by 2003 legislation, including Senate Bill

1 No. 5325 (impact funds to cities). In addition to the study of
2 positive and negative impacts of state facilities described in the
3 bill, the joint legislative audit and review committee shall also study
4 the impacts of the Rainier school for developmentally disabled persons
5 in Buckley, Washington.

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

8	General Fund--State Appropriation (FY 2004)	\$1,597,000
9	General Fund--State Appropriation (FY 2005)	\$1,745,000
10	TOTAL APPROPRIATION	\$3,342,000

11 The appropriations in this section are subject to the following
12 conditions and limitations: \$25,000 of the general fund--state
13 appropriation for fiscal year 2004 and \$25,000 of the general fund--
14 state appropriation for fiscal year 2005 are provided solely for the
15 legislative evaluation and accountability program committee, in
16 consultation with the state office of the forecast council, to
17 establish and maintain a set of economic indicators that could be used
18 for adjusting the statewide salary schedule by a regional cost-of-
19 living index. The economic indicators to be included in this index
20 include but are not limited to the median cost of housing.

21 (1) In developing the regional cost-of-living index, the
22 legislative evaluation and accountability program committee shall
23 collect data on the economic activity comprising the cost-of-living
24 indexes for geographic areas of the state coterminous with the
25 boundaries of the nine educational service districts established under
26 RCW 28A.310.010.

27 (2) Not later than July 1, 2004, the legislative evaluation and
28 accountability program committee shall submit the regional cost-of-
29 living index to an advisory committee for its review. The advisory
30 committee shall be appointed by the governor and shall consist of one
31 member representing the office of financial management, one member
32 representing the employment security department, one member
33 representing the office of the superintendent of public instruction,
34 and three representatives of the private sector having demonstrated
35 expertise in regional economics. The advisory committee shall not

1 receive compensation for performance of its duties but may be
2 reimbursed for travel expenses in accordance with RCW 43.03.050 and
3 43.03.060.

4 (3) Not later than October 1, 2004, the advisory committee created
5 under this section shall submit to the director of the legislative
6 evaluation and accountability program committee written comment on the
7 proposed regional cost-of-living index. The written comment may
8 include recommendations for revision to the index or its components.

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

10 Department of Retirement Systems Expense Account--
11 State Appropriation \$2,568,000

12 The appropriation in this section is subject to the following
13 conditions and limitations: \$178,000 of the department of retirement
14 systems expense account--state appropriation is provided solely for the
15 costs associated with leasing and moving into new office space.

16 NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**
17 **COMMITTEE**

18 General Fund--State Appropriation (FY 2004) \$6,767,000
19 General Fund--State Appropriation (FY 2005) \$6,766,000
20 TOTAL APPROPRIATION \$13,533,000

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

22 General Fund--State Appropriation (FY 2004) \$3,897,000
23 General Fund--State Appropriation (FY 2005) \$4,000,000
24 TOTAL APPROPRIATION \$7,897,000

25 The appropriations in this section are subject to the following
26 conditions and limitations: \$42,100 of the general fund fiscal year
27 2004 appropriation and \$43,800 of the general fund fiscal year 2005
28 appropriation are provided solely for the uniform legislation
29 commission.

30 NEW SECTION. **Sec. 108. LEGISLATIVE AGENCIES.** In order to achieve
31 operating efficiencies within the financial resources available to the
32 legislative branch, the executive rules committee of the house of
33 representatives and the facilities and operations committee of the

1 senate by joint action may transfer funds among the house of
2 representatives, senate, joint legislative audit and review committee,
3 legislative evaluation and accountability program committee,
4 legislative transportation committee, office of the state actuary,
5 joint legislative systems committee, and statute law committee.

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

7	General Fund--State Appropriation (FY 2004)	\$5,487,000
8	General Fund--State Appropriation (FY 2005)	\$5,690,000
9	TOTAL APPROPRIATION	\$11,177,000

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

11	General Fund--State Appropriation (FY 2004)	\$2,055,000
12	General Fund--State Appropriation (FY 2005)	\$2,059,000
13	TOTAL APPROPRIATION	\$4,114,000

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

15	General Fund--State Appropriation (FY 2004)	\$12,595,000
16	General Fund--State Appropriation (FY 2005)	\$12,831,000
17	TOTAL APPROPRIATION	\$25,426,000

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

19	General Fund--State Appropriation (FY 2004)	\$859,000
20	General Fund--State Appropriation (FY 2005)	\$861,000
21	TOTAL APPROPRIATION	\$1,720,000

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

23	General Fund--State Appropriation (FY 2004)	\$17,465,000
24	General Fund--State Appropriation (FY 2005)	\$17,510,000
25	Public Safety and Education Account--State	
26	Appropriation	\$40,398,000
27	Judicial Information Systems Account--State	
28	Appropriation	\$27,848,000
29	TOTAL APPROPRIATION	\$103,221,000

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

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

5 (2) \$531,000 of the public safety and education account
6 appropriation is provided solely for allocation to the department of
7 community, trade, and economic development for civil indigent legal
8 services.

9 (3) \$750,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$750,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely for court-appointed special
12 advocates in dependency matters. The administrator for the courts,
13 after consulting with the association of juvenile court administrators
14 and the association of court-appointed special advocate/guardian ad
15 litem programs, shall distribute the funds to volunteer court-appointed
16 special advocate/guardian ad litem programs. The distribution of
17 funding shall be based on the number of children who need volunteer
18 court-appointed special advocate representation and shall be equally
19 accessible to all volunteer court-appointed special advocate/guardian
20 ad litem programs. The administrator for the courts shall not retain
21 more than six percent of total funding to cover administrative or any
22 other agency costs.

23 (4) \$750,000 of the public safety and education account--state
24 appropriation is provided solely for judicial program enhancements.
25 Within the funding provided in this subsection, the administrator for
26 the courts, in consultation with the supreme court, shall determine the
27 program or programs to receive an enhancement. Among the programs that
28 may be funded from the amount provided in this subsection are unified
29 family courts.

30 (5) \$9,937,000 of the judicial information systems account--state
31 appropriation is provided solely for improvements and enhancements to
32 the judicial information system. This funding shall only be expended
33 after the office of the administrator for the courts certifies to the
34 office of financial management that there will be at least a \$1,000,000
35 ending fund balance in the judicial information systems account at the
36 end of the 2003-05 biennium.

1 (6) \$3,000,000 of the public safety and education account--state
2 appropriation is provided solely for school district petitions to
3 juvenile court for truant students as provided in RCW 28A.225.030 and
4 28A.225.035. The office of the administrator for the courts shall
5 develop an interagency agreement with the office of the superintendent
6 of public instruction to allocate the funding provided in this
7 subsection. Allocation of this money to school districts shall be
8 based on the number of petitions filed.

9 (7) \$13,224,000 of the public safety and education account--state
10 appropriation is provided solely for distribution to county juvenile
11 court administrators to fund the costs of processing truancy, children
12 in need of services, and at-risk youth petitions. The office of the
13 administrator for the courts shall not retain any portion of these
14 funds to cover administrative costs. The office of the administrator
15 for the courts, in conjunction with the juvenile court administrators,
16 shall develop an equitable funding distribution formula. The formula
17 shall neither reward counties with higher than average per-petition
18 processing costs nor shall it penalize counties with lower than average
19 per-petition processing costs.

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

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

36 (10) \$813,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$762,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for billing and related costs for
2 the office of the administrator for the courts pursuant to Engrossed
3 Substitute Senate Bill No. 5990 (sentencing and supervision standards
4 for offenders) or Engrossed Substitute Senate Bill No. 6002 (financial
5 obligations). If neither bill is enacted by June 30, 2003, the amounts
6 provided in this subsection shall lapse.

7 (11) \$1,800,000 of the public safety and education account
8 appropriation is provided solely for distribution to the county clerks
9 for the collection of legal financial obligations pursuant to Engrossed
10 Substitute Senate Bill No. 5990 (sentencing and supervision standards
11 for offenders) or Engrossed Substitute Senate Bill No. 6002 (financial
12 obligations). If neither bill is enacted by June 30, 2003, the amounts
13 provided in this subsection shall lapse. The funding shall be
14 distributed by the office of the administrator for the courts to the
15 county clerks, in accordance with the funding formula determined by the
16 Washington association of county officials pursuant to Engrossed
17 Substitute Senate Bill No. 5990 or Engrossed Substitute Senate Bill No.
18 6002.

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

20	General Fund--State Appropriation (FY 2004)	\$666,000
21	General Fund--State Appropriation (FY 2005)	\$884,000
22	Public Safety and Education Account--State	
23	Appropriation	\$12,383,000
24	TOTAL APPROPRIATION	\$13,933,000

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

27 (1) \$51,000 of the public safety and education account
28 appropriation is provided solely for the office of public defenses'
29 expenses in implementing chapter 303, Laws of 1999 (extraordinary
30 criminal justice costs).

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

34 (3) \$204,000 of the public safety and education account
35 appropriation is provided solely to increase the reimbursement for

1 private attorneys providing constitutionally mandated indigent defense
2 in nondeath penalty cases.

3 (4) \$50,000 of the public safety and education account--state
4 appropriation is provided solely for the evaluation required in chapter
5 92, Laws of 2000 (DNA testing).

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

7	General Fund--State Appropriation (FY 2004)	\$4,089,000
8	General Fund--State Appropriation (FY 2005)	\$3,892,000
9	General Fund--Federal Appropriation	\$1,120,000
10	Water Quality Account--State Appropriation	\$3,716,000
11	TOTAL APPROPRIATION	\$12,817,000

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

14 (1) \$3,716,000 of the water quality account appropriation and
15 \$1,120,000 of the general fund--federal appropriation are provided
16 solely for the Puget Sound water quality action team to implement the
17 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

18 (2) \$300,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$100,000 of the general fund--state appropriation for
20 fiscal year 2005 shall be used to develop and disseminate
21 scientifically-based, voluntary, kindergarten readiness standards.

22 (3) The Washington state commission for responsible fatherhood is
23 established in the office of the governor.

24 (a) The commission shall consist of twenty-two members and reflect
25 the geographic and cultural diversity of the state. The membership
26 shall include:

27 (i) Secretary of social and health services, or his or her
28 designee;

29 (ii) Director of employment security, or his or her designee;

30 (iii) Director of the office of support enforcement, or his or her
31 designee;

32 (iv) Superintendent of public instruction, or his or her designee;

33 (v) Secretary of corrections, or his or her designee;

34 (vi) Two members of the senate, one from each of the two major
35 political parties, appointed by the president of the senate, and two

1 members of the house of representatives, one from each of the two major
2 political parties, appointed by the speaker of the house of
3 representatives;

4 (vii) One representative from the family law section of the state
5 bar association, appointed by the governor;

6 (viii) One representative from the faith community, appointed by
7 the governor;

8 (ix) One representative from the Washington association for
9 prosecuting attorneys, appointed by the governor;

10 (x) Two representatives from fatherhood programs or organizations,
11 appointed by the governor;

12 (xi) One representative from domestic violence programs, appointed
13 by the governor;

14 (xii) Three at-large members, appointed by the governor;

15 (xiii) One member from the business community, appointed by the
16 governor;

17 (xiv) Director of community, trade, and economic development, or
18 his or her designee;

19 (xv) Head start collaboration director, or his or her designee; and

20 (xiv) Regional administrator for the federal administration for
21 children and families, or his or her designee.

22 (b) All commission members shall serve at the pleasure of the
23 governor, but in no case may any member appointed by the governor serve
24 more than three years without formal reappointment by the governor.
25 All legislative members shall serve for two-year terms, and the
26 position of any legislative member shall be deemed vacated whenever
27 such member ceases to be a member of the house from which he or she was
28 appointed. Of the persons initially appointed by the governor to the
29 commission, three shall be appointed to serve one year, three to serve
30 two years, and four to serve three years. Upon expiration of such
31 terms, subsequent appointments shall be for three years. Any vacancies
32 occurring in the membership of the commission shall be filled for the
33 remainder of the unexpired term in the same manner as the original
34 appointments.

35 (c) Nonlegislative members shall be reimbursed for expenses
36 incurred in the performance of their duties in accordance with RCW

1 43.03.050 and 43.03.060. Legislative members shall be reimbursed for
2 expenses incurred in the performance of their duties in accordance with
3 RCW 44.04.120.

4 (d) A simple majority of the membership constitutes a quorum for
5 the purpose of conducting business.

6 (e) The purpose of the commission is to further the understanding
7 of the importance of two parents being actively involved in the life of
8 a child, with particular emphasis on fathers. The commission is
9 charged with the following:

10 (i) Identify promising best practices that support and engage both
11 parents in the emotional and financial support of their children;

12 (ii) Identify obstacles that impede or prevent the involvement of
13 fathers in the lives of their children;

14 (iii) Raise public awareness of the consequences the absence of the
15 father may cause in a child's life;

16 (iv) Make recommendations for policy and practice both within and
17 without state government that sustain and re-engage fathers in the
18 lives of their children;

19 (v) Coordinate programs that promote fatherhood and counter the
20 incidence of fatherlessness in the state of Washington;

21 (vi) Promote, foster, encourage, and otherwise support programs
22 designed to educate and train young men who are both current and future
23 fathers as to effective parenting skills, behaviors, and attitudes;

24 (vii) Coordinate programs that counter poverty and low income by
25 increasing the capacity for fathers to overcome personal challenges and
26 become productive, independent, and financially responsible
27 contributors to their family; and

28 (viii) Report its findings and recommendations to the governor
29 annually.

30 (f) Each state department, board, commission, authority, or body
31 within the executive branch that provides services to children and
32 families is directed to plan collaboratively with the commission for
33 services to fathers. Each body is directed to report to the commission
34 on this collaboration and improvements to services for and inclusion of
35 fathers. The commission shall determine the form of such reports and
36 the submission.

1 (g) The commission may receive such gifts, grants, and endowments
2 from private sources as may be made from time to time in trust or
3 otherwise for the use and benefit of the purposes of the commission and
4 to expend the same or any income therefrom according to the terms of
5 the gifts, grants, or endowments, and the purposes of this chapter.

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

7	General Fund--State Appropriation (FY 2004)	\$548,000
8	General Fund--State Appropriation (FY 2005)	\$550,000
9	TOTAL APPROPRIATION	\$1,098,000

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

11	General Fund--State Appropriation (FY 2004)	\$1,795,000
12	General Fund--State Appropriation (FY 2005)	\$1,778,000
13	TOTAL APPROPRIATION	\$3,573,000

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

15	General Fund--State Appropriation (FY 2004)	\$23,266,000
16	General Fund--State Appropriation (FY 2005)	\$15,910,000
17	General Fund--Federal Appropriation	\$20,058,000
18	Archives and Records Management Account--State	
19	Appropriation	\$8,960,000
20	Archives and Records Management Account--Private/Local	
21	Appropriation	\$7,023,000
22	Department of Personnel Service Account	
23	Appropriation	\$693,000
24	TOTAL APPROPRIATION	\$75,910,000

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

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

33 (2) \$1,826,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$2,686,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the verification of initiative
2 and referendum petitions, maintenance of related voter registration
3 records, and the publication and distribution of the voters and
4 candidates pamphlet.

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

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

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

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

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

33 (i) Attempting to influence the passage or defeat of any
34 legislation by the legislature of the state of Washington, by any
35 county, city, town, or other political subdivision of the state of
36 Washington, or by the congress, or the adoption or rejection of any

1 rule, standard, rate, or other legislative enactment of any state
2 agency;

- 3 (ii) Making contributions reportable under chapter 42.17 RCW; or
- 4 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
5 lodging, meals, or entertainment to a public officer or employee.

6 (5) \$867,000 of the archives and records management account--state
7 appropriation is provided solely for operation of the central
8 microfilming bureau under RCW 40.14.020(8).

9 (6) \$6,340,000 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) \$600,000 of the archives and record management--private/local
13 appropriation is provided solely to assist local governments in
14 disaster recovery efforts to protect and preserve archival documents,
15 upon approval of the director of financial management. A committee
16 composed of the secretary of state, or designee, the state archivist,
17 one county auditor, one county clerk member of the archives oversight
18 committee, and a representative from the office of financial management
19 shall establish the funding criteria and process by September 30, 2003.
20 The division of archives shall submit an annual report to the office of
21 financial management and the legislative fiscal committees detailing
22 disaster recovery costs from this appropriation by individual disaster.
23 The report shall include: (a) Estimates of total costs; (b) actual
24 expenditures to date; and (c) estimates of total remaining expenditures
25 to be paid.

26 (8) \$524,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$634,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided for the continued operation of the
29 institutional libraries operated by the state library at the
30 institutions of the department of social and health services.

31 (9) The secretary of state shall not reduce library services to the
32 blind below the level of services provided during the 2001-03 fiscal
33 biennium.

34 NEW SECTION. **Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN**
35 **AFFAIRS**

36 General Fund--State Appropriation (FY 2004) \$227,000

1 General Fund--State Appropriation (FY 2005) \$238,000
 2 TOTAL APPROPRIATION \$465,000

3 The appropriations in this section are subject to the following
 4 conditions and limitations: \$10,000 of the general fund--state
 5 appropriation for fiscal year 2004 is provided solely to facilitate the
 6 colocation, including remodeling costs, of the office of Indian Affairs
 7 into the same facility shared by the commission on Asian Pacific
 8 American Affairs, commission on African American Affairs, and the
 9 commission on Hispanic Affairs.

10 NEW SECTION. **Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN**
 11 **AFFAIRS**

12 General Fund--State Appropriation (FY 2004) \$192,000
 13 General Fund--State Appropriation (FY 2005) \$192,000
 14 TOTAL APPROPRIATION \$384,000

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

16 State Treasurer's Service Account--State Appropriation . . \$12,713,000

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

18 General Fund--State Appropriation (FY 2004) \$1,506,000
 19 General Fund--State Appropriation (FY 2005) \$707,000
 20 State Auditing Services Revolving Account--State
 21 Appropriation \$12,015,000
 22 TOTAL APPROPRIATION \$14,228,000

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

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

30 (2) \$706,000 of the general fund--state appropriation for fiscal
 31 year 2004 and \$707,000 of the general fund--state appropriation for
 32 fiscal year 2005 are provided solely for staff and related costs to
 33 verify the accuracy of reported school district data submitted for
 34 state funding purposes; conduct school district program audits of state

1 funded public school programs; establish the specific amount of state
2 funding adjustments whenever audit exceptions occur and the amount is
3 not firmly established in the course of regular public school audits;
4 and to assist the state special education safety net committee when
5 requested.

6 (3) \$800,000 of the general fund--state appropriation for fiscal
7 year 2004 is provided solely to implement Substitute Senate Bill No.
8 5909 (governmental accountability). If the bill is not enacted by June
9 30, 2003, the amount provided in this subsection shall lapse.

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

12	General Fund--State Appropriation (FY 2004)	\$80,000
13	General Fund--State Appropriation (FY 2005)	\$154,000
14	TOTAL APPROPRIATION	\$234,000

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

16	General Fund--State Appropriation (FY 2004)	\$4,134,000
17	General Fund--State Appropriation (FY 2005)	\$4,190,000
18	General Fund--Federal Appropriation	\$2,841,000
19	Public Safety and Education Account--State	
20	Appropriation	\$1,810,000
21	New Motor Vehicle Arbitration Account--State	
22	Appropriation	\$1,180,000
23	Legal Services Revolving Account--State	
24	Appropriation	\$164,809,000
25	Tobacco Prevention and Control Account--State	
26	Appropriation	\$270,000
27	TOTAL APPROPRIATION	\$179,234,000

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

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

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

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

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

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

12	General Fund--State Appropriation (FY 2004)	\$59,278,000
13	General Fund--State Appropriation (FY 2005)	\$58,624,000
14	General Fund--Federal Appropriation	\$194,218,000
15	General Fund--Private/Local Appropriation	\$10,598,000
16	Public Safety and Education Account--State	
17	Appropriation	\$10,103,000
18	Public Works Assistance Account--State Appropriation	\$1,929,000
19	Building Code Council Account--State Appropriation	\$1,065,000
20	Administrative Contingency Account--State Appropriation	\$1,774,000
21	Low-Income Weatherization Assistance Account--State	
22	Appropriation	\$3,293,000
23	Violence Reduction and Drug Enforcement Account--State	
24	Appropriation	\$8,596,000
25	Manufactured Home Installation Training Account--State	
26	Appropriation	\$258,000
27	Community and Economic Development Fee Account--State	
28	Appropriation	\$1,909,000
29	Washington Housing Trust Account--State Appropriation	\$16,770,000
30	Public Facility Construction Loan Revolving	
31	Account--State Appropriation	\$626,000
32	TOTAL APPROPRIATION	\$369,041,000

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (j) \$97,591 to the department to continue evaluation of Byrne
2 formula grant programs;

3 (k) \$572,919 to the office of financial management for criminal
4 history records improvement;

5 (l) \$864,228 to the department for required grant administration,
6 monitoring, and reporting on Byrne formula grant programs.

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

19 (4) \$5,085,000 of the general fund--state appropriation for fiscal
20 year 2004, \$5,085,000 of the general fund--state appropriation for
21 fiscal year 2005, and \$6,145,000 of the Washington housing trust
22 account are provided solely for providing housing and shelter for
23 homeless people, including but not limited to grants to operate,
24 repair, and staff shelters; grants to operate transitional housing;
25 partial payments for rental assistance; consolidated emergency
26 assistance; overnight youth shelters; and emergency shelter assistance.

27 (5) Up to \$300,000 of the Washington housing trust account
28 appropriation shall be used to study the impacts of publicly funded
29 housing projects on local services such as, but not limited to, fire
30 and police services.

31 (6) \$697,000 of the community economic development account
32 appropriation is provided solely for support of the developmental
33 disabilities endowment governing board and costs of the endowment
34 program. The governing board may use appropriations to implement a
35 sliding-scale fee waiver for families earning below 150 percent of the
36 state median family income.

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

14 (8) \$4,609,000 of the public safety and education account and
15 \$2,824,000 of the violence reduction and drug enforcement account are
16 provided solely for civil indigent legal services.

17 (9) \$26,862,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$26,862,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for providing early childhood
20 education assistance.

21 (10) \$200,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$200,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for a contract with the Washington
24 manufacturing services.

25 (11) \$400,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$400,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the foreign offices (overseas
28 representatives) to expand local capacity for China, expand operations
29 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
30 exporters in expanding their sales opportunities.

31 (12) \$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 the business retention and
34 expansion program to fund contracts with locally based development
35 organizations for local business and job retention activities.

36 (13) \$200,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$200,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the tourism office to market
2 Washington state as a travel destination to northwest states,
3 California, and British Columbia. By December 1, 2004, the department
4 shall report to the relevant legislative policy and fiscal committees
5 on the effectiveness of these expenditures.

6 (14) \$200,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$200,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for business development
9 activities to conduct statewide and/or regional business recruitment
10 and client lead generation services.

11 (15) \$125,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$125,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for implementing the industries of
14 the future strategy.

15 (16) \$50,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$50,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for a contract with international
18 trade alliance of Spokane.

19 (17) \$60,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$60,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the community services block
22 grant program for pass-through to community action agencies.

23 (18) Within the amounts appropriated in this section, funding is
24 provided for Washington state dues for the Pacific northwest economic
25 region.

26 (19) \$698,000 of the general fund--state appropriation for fiscal
27 year 2004, \$698,000 of the general fund--state appropriation for fiscal
28 year 2005, and \$1,101,000 of the administrative contingency account
29 appropriation are provided solely for contracting with associate
30 development organizations to maintain existing programs.

31 (20) \$600,000 of the public safety and education account
32 appropriation is provided solely for sexual assault prevention and
33 treatment programs.

34 (21) \$65,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$65,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for a contract with a food
37 distribution program for communities in the southwestern portion of the

1 state and for workers impacted by timber and salmon fishing closures
2 and reductions. The department may not charge administrative overhead
3 or expenses to the funds provided in this subsection.

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

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

10 (24) \$50,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$50,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for a contract with international
13 trade alliance of Spokane.

14 (25) \$205,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$205,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for grants to Washington Columbia
17 River Gorge counties to implement their responsibilities under the
18 national scenic area management plan. Of this amount, \$390,000 is
19 provided for Skamania county and \$20,000 is provided for Clark county.

20 (26) \$10,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$10,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the purpose of determining
23 boundaries for the aviation mitigation zones pursuant to House Bill No.
24 2276.

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

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

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

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

2	General Fund--State Appropriation (FY 2004)	\$13,736,000
3	General Fund--State Appropriation (FY 2005)	\$13,454,000
4	General Fund--Federal Appropriation	\$23,492,000
5	Violence Reduction and Drug Enforcement Account--State	
6	Appropriation	\$230,000
7	State Auditing Services Revolving Account--State	
8	Appropriation	\$25,000
9	TOTAL APPROPRIATION	\$50,937,000

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

12 (1) \$607,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$599,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to implement Substitute Senate
15 Bill No. 5909 (governmental accountability). If the bill is not
16 enacted by June 30, 2003, the amounts provided in this subsection shall
17 lapse.

18 (2) \$50,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$50,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely to implement a pilot project to
21 develop an integrated environmental permit system pursuant to
22 Substitute Senate Bill No. 5694. If the bill is not enacted by June
23 30, 2003, the amounts provided in this subsection shall lapse.

24 (3) No later than November 15, 2003, the office of financial
25 management shall report to the house of representatives and senate
26 committees on appropriations, ways and means, capital budget, and
27 transportation the ten priorities of government upon which the 2005-07
28 biennial budgets will be structured. Each priority shall include a
29 proposed set of cross-agency activities with activity definitions and
30 outcome measures. For purposes of historical comparison, the office of
31 financial management shall restate 2001-03 expenditures and 2003-05
32 appropriations in this format, organized by priority, activity, fund
33 source, and agency.

34 NEW SECTION. **Sec. 129. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

35	Administrative Hearings Revolving Account--State	
36	Appropriation	\$24,561,000

1 NEW SECTION. **Sec. 130. FOR THE DEPARTMENT OF PERSONNEL**

2 Department of Personnel Service Account--State

3 Appropriation \$15,850,000

4 Higher Education Personnel Services Account--State

5 Appropriation \$1,616,000

6 TOTAL APPROPRIATION \$17,466,000

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

9 (1) The department is authorized to enter into a financing contract
10 for up to \$32,095,000, plus necessary financing expenses and required
11 reserves, pursuant to chapter 39.94 RCW. The contract shall be to
12 purchase, develop, and operationalize a new statewide payroll system
13 and shall be for a term of not more than twelve years. The legislature
14 recognizes the critical nature of the human resource management system
15 and its relationship to successful implementation of civil service
16 reform, collective bargaining, and the ability to permit contracting
17 out of services to the private sector. Projects of this size and
18 complexity have many risks associated with their successful and timely
19 completion, therefore, to help ensure project success, the department
20 of personnel and the office of financial management shall jointly
21 report to the legislature by January 15, 2004, on progress toward
22 implementing the human resource management system. The report shall
23 include a description of mitigation strategies employed to address the
24 risks related to: Business requirements not fully defined at the
25 project outset; short time frame for system implementation; and delays
26 experienced by other states. The report shall assess the probability
27 of meeting the system implementation schedule and recommend contingency
28 strategies as needed. The report shall establish the timelines, the
29 critical path, and the dependencies for realizing each of the benefits
30 articulated in the system feasibility study.

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

1 NEW SECTION. **Sec. 131. FOR THE WASHINGTON STATE LOTTERY**

2 Lottery Administrative Account--State Appropriation . . . \$22,826,000

3 NEW SECTION. **Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS**

4 General Fund--State Appropriation (FY 2004) \$201,000

5 General Fund--State Appropriation (FY 2005) \$201,000

6 TOTAL APPROPRIATION \$402,000

7 NEW SECTION. **Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN**
8 **AFFAIRS**

9 General Fund--State Appropriation (FY 2004) \$196,000

10 General Fund--State Appropriation (FY 2005) \$197,000

11 TOTAL APPROPRIATION \$393,000

12 NEW SECTION. **Sec. 134. FOR THE PERSONNEL APPEALS BOARD**

13 Department of Personnel Service Account--State

14 Appropriation \$1,729,000

15 NEW SECTION. **Sec. 135. FOR THE STATE INVESTMENT BOARD**

16 General Fund--State Appropriation (FY 2004) \$100,000

17 State Investment Board Expense Account--State

18 Appropriation \$13,320,000

19 TOTAL APPROPRIATION \$13,420,000

20 The appropriation in this section is subject to the following
21 conditions and limitations: \$100,000 of the general fund--state
22 appropriation for fiscal year 2004 is provided solely for a contract
23 with a real estate investment consultant to prepare options and a
24 recommended strategy for the disposal of surplus property that results
25 from the closure of Fircrest School. The report shall be submitted to
26 the appropriate committees of the legislature by December 1, 2003. In
27 developing the recommended strategy, the contractor shall consult with
28 representatives of the city of Shoreline and shall identify the
29 disposal strategy that is estimated to produce the greatest long-term
30 investment return on the property.

31 NEW SECTION. **Sec. 136. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**

1 **OPERATIONS**

2 Dependent Care Administrative Account--State
3 Appropriation \$367,000
4 Department of Retirement Systems Expense
5 Account--State Appropriation \$44,833,000
6 TOTAL APPROPRIATION \$45,200,000

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

9 (1) \$2,083,000 of the department of retirement systems expense
10 account appropriation is provided solely for the support of the
11 information systems project known as the electronic document image
12 management system.

13 (2) \$124,000 of the department of retirement systems expense
14 account--state appropriation is provided solely to implement Substitute
15 Senate Bill No. 5094 (substitute teachers' retirement credit). If the
16 bill is not enacted by June 30, 2003, the amount provided in this
17 subsection shall lapse.

18 (3) \$77,000 of the department of retirement systems expense
19 account--state appropriation is provided solely to implement Senate
20 Bill No. 5100 (fallen hero survivor benefits). If the bill is not
21 enacted by June 30, 2003, the amount provided in this subsection shall
22 lapse.

23 (4) \$21,000 of the department of retirement systems expense
24 account--state appropriation is provided solely to implement House Bill
25 No. 1206 (plan 3 contributions). If the bill is not enacted by June
26 30, 2003, the amount provided in this subsection shall lapse.

27 (5) \$30,000 of the department of retirement systems expense
28 account--state appropriation is provided solely to implement House Bill
29 No. 1207 (employee death benefits). If the bill is not enacted by June
30 30, 2003, the amount provided in this subsection shall lapse.

31 (6) \$582,000 of the department of retirement systems expense
32 account--state appropriation is provided solely to implement Substitute
33 House Bill No. 1829 (retire-rehire reform). If the bill is not enacted
34 by June 30, 2003, the amount provided in this subsection shall lapse.

35 (7) \$125,000 of the department of retirement systems expense
36 account--state appropriation is provided solely to implement Substitute

1 House Bill No. 1202 (emergency medical technicians' retirement). If
2 the bill is not enacted by June 30, 2003, the amount provided in this
3 subsection shall lapse.

4 (8) \$31,000 of the department of retirement systems expense
5 account--state appropriation is provided solely to implement House Bill
6 No. 1519 (unreduced duty death survivor benefits). If the bill is not
7 enacted by June 30, 2003, the amount provided in this subsection shall
8 lapse.

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

10	General Fund--State Appropriation (FY 2004)	\$79,922,000
11	General Fund--State Appropriation (FY 2005)	\$79,416,000
12	Timber Tax Distribution Account--State Appropriation	\$5,215,000
13	Waste Reduction/Recycling/Litter Control--State	
14	Appropriation	\$101,000
15	State Toxics Control Account--State Appropriation	\$67,000
16	Oil Spill Prevention Account--State Appropriation	\$14,000
17	TOTAL APPROPRIATION	\$164,735,000

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

20 (1) \$145,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$118,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely to implement Senate Bill No. 5034
23 (property tax relief for senior citizens due to disability). If the
24 bill is not enacted by June 30, 2003, the amount provided in this
25 subsection shall lapse.

26 (2) \$93,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$210,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely to implement Senate Bill No. 5783
29 (implementation of the streamlined sales tax agreement). If the bill
30 is not enacted by June 30, 2003, the amount provided in this subsection
31 shall lapse.

32 (3) \$104,000 of the general fund--state appropriation for fiscal
33 year 2004 is provided solely for the implementation of Engrossed House
34 Bill No. 2030 (B&O tax uniformity). If the bill is not enacted by June
35 30, 2003, the amount provided in this subsection shall lapse.

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

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

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

6 County Research Services Account--State Appropriation \$769,000
7 City and Town Research Services--State Appropriation \$3,852,000
8 TOTAL APPROPRIATION \$4,621,000

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

11 OMWBE Enterprises Account--State \$1,994,000

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

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

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

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

26 NEW SECTION. **Sec. 141. FOR THE DEPARTMENT OF GENERAL**
27 **ADMINISTRATION**

28 General Fund--State Appropriation (FY 2004) \$263,000
29 General Fund--State Appropriation (FY 2005) \$265,000
30 General Fund--Federal Appropriation \$3,217,000
31 General Administration Service Account--State
32 Appropriation \$38,328,000
33 TOTAL APPROPRIATION \$42,073,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: Beginning on the effective date of this
3 act, the department of general administration shall not purchase or
4 lease any additional automobiles for the state motor pool unless the
5 director of general administration determines that the purchase or
6 lease is necessary for the safety of state personnel.

7 NEW SECTION. **Sec. 142. FOR THE DEPARTMENT OF INFORMATION**
8 **SERVICES**

9	General Fund--State Appropriation (FY 2004)	\$1,000,000
10	General Fund--State Appropriation (FY 2005)	\$1,000,000
11	Data Processing Revolving Account--State Appropriation . . .	\$3,587,000
12	TOTAL APPROPRIATION	\$5,587,000

13 The appropriations in this section are subject to the following
14 conditions and limitations: \$1,000,000 of the general fund--state
15 appropriation for fiscal year 2004 and \$1,000,000 of the general fund--
16 state appropriation for fiscal year 2005 are provided solely for the
17 digital learning commons to create a demonstration project, in
18 collaboration with schools, which will provide a web-based portal where
19 students, parents, and teachers from around the state will have access
20 to digital resources, learning tools, and online classes.

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

22	General Fund--Federal Appropriation	\$635,000
23	Insurance Commissioners Regulatory Account--State	
24	Appropriation	\$31,148,000
25	TOTAL APPROPRIATION	\$31,783,000

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

27	Certified Public Accountants' Account--State	
28	Appropriation	\$1,895,000

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

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

2 Death Investigations Account--State Appropriation \$274,000

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

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

12 Horse Racing Commission Account--State Appropriation . . . \$4,621,000

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

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

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

16 Liquor Control Board Construction and Maintenance

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

18 Liquor Revolving Account--State Appropriation \$132,374,000

19 TOTAL APPROPRIATION \$141,010,000

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

22 (1) \$2,000,000 of the liquor revolving account appropriation is
23 provided solely for the costs associated with the completion of the
24 merchandising business system. Actual expenditures are limited to the
25 balance of funds remaining from the \$4,803,000 appropriation provided
26 for the merchandise business system in the 2001-03 budget.

27 (2) \$1,309,000 of the liquor revolving account appropriation is
28 provided solely for the costs associated with purchasing merchandise
29 business system software and hardware-related items, and hiring system-
30 related staff.

31 (3) No moneys under this appropriation shall be spent for
32 authorizing or adopting an alcohol impact area under chapter 314-12 WAC
33 or any additional modifications to an existing alcohol impact area
34 under chapter 314-12 WAC until an existing study of a current alcohol

1 impact area is completed by the board or by April 1, 2004, whichever is
2 later.

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

5	Public Service Revolving Account--State Appropriation . . .	\$26,035,000
6	Pipeline Safety Account--State Appropriation	\$2,774,000
7	Pipeline Safety Account--Federal Appropriation	\$1,049,000
8	TOTAL APPROPRIATION	\$29,858,000

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

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

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

17 (3) \$135,000 of the public services revolving account appropriation
18 and \$15,000 of the pipeline safety account--state appropriation are
19 provided solely for the implementation of the commission's financial
20 systems project. If final approval for the project is not granted by
21 the office of financial management, the amounts provided in this
22 subsection shall lapse.

23 (4) \$200,000 of the public services revolving account appropriation
24 is provided solely for an interagency transfer to the joint legislative
25 audit and review committee for the implementation of Substitute House
26 Bill No. 1013 (UTC performance audit). If the bill is not enacted by
27 June 30, 2003, the amount provided in this subsection shall lapse.

28 NEW SECTION. **Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**
29 **Volunteer Firefighters' and Reserve Officers' Administrative**
30 **Account--State Appropriation \$699,000**

31 NEW SECTION. **Sec. 150. FOR THE MILITARY DEPARTMENT**
32 **General Fund--State Appropriation (FY 2004) \$8,493,000**
33 **General Fund--State Appropriation (FY 2005) \$8,230,000**
34 **General Fund--Federal Appropriation \$81,967,000**

1	General Fund--Private/Local Appropriation	\$365,000
2	Enhanced 911 Account--State Appropriation	\$33,941,000
3	Disaster Response Account--State Appropriation	\$190,000
4	Worker and Community Right-to-Know Account--State	
5	Appropriation	\$287,000
6	Nisqually Earthquake Account--State Appropriation	\$13,117,000
7	Nisqually Earthquake Account--Federal Appropriation	\$48,699,000
8	TOTAL APPROPRIATION	\$195,289,000

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

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

20 (2) \$10,117,000 of the Nisqually earthquake account--state
21 appropriation and \$48,699,000 of the Nisqually earthquake account--
22 federal appropriation are provided solely for response and recovery
23 costs associated with the February 28, 2001, earthquake. The military
24 department shall submit a report quarterly to the office of financial
25 management and the legislative fiscal committees detailing earthquake
26 recovery costs, including: (a) Estimates of total costs; (b)
27 incremental changes from the previous estimate; (c) actual
28 expenditures; (d) estimates of total remaining costs to be paid; and
29 (e) estimates of future payments by biennium. This information shall
30 be displayed by fund, by type of assistance, and by amount paid on
31 behalf of state agencies or local organizations. The military
32 department shall also submit a report quarterly to the office of
33 financial management and the legislative fiscal committees detailing
34 information on the Nisqually earthquake account, including: (a) The
35 amount and type of deposits into the account; (b) the current available
36 fund balance as of the reporting date; and (c) the projected fund

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

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

14 (4) \$200,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$53,555,000 of the general fund--federal appropriation
16 are provided solely for homeland security, to be distributed as
17 follows:

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

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

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

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

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

35 (f) \$39,917,000 of the general fund--federal appropriation for
36 other anticipated homeland security needs. This amount shall not be

1 allotted until a spending plan is approved by the governor's domestic
2 security advisory group and the office of financial management;

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

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

11 (i) The department shall submit a quarterly report to the office of
12 financial management and the legislative fiscal committees detailing
13 the governor's domestic security advisory group recommendations;
14 homeland security revenues and expenditures, including estimates of
15 total federal funding for Washington state; incremental changes from
16 the previous estimate, planned and actual homeland security
17 expenditures by the state and local governments with this federal
18 funding; and matching or accompanying state or local expenditures.

19 (5) \$100,000 of the general fund--state fiscal year 2004
20 appropriation and \$100,000 of the general fund--state fiscal year 2005
21 appropriation are provided solely for implementation of the conditional
22 scholarship program pursuant to chapter 28B.103 RCW.

23 (6) \$35,000 of the general fund--state fiscal year 2004
24 appropriation and \$35,000 of the general fund--state fiscal year 2005
25 appropriation are provided solely for the north county emergency
26 medical service.

27 NEW SECTION. **Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS**
28 **COMMISSION**

29	General Fund--State Appropriation (FY 2004)	\$2,381,000
30	General Fund--State Appropriation (FY 2005)	\$2,455,000
31	Department of Personnel Service Account--State	
32	Appropriation	\$2,545,000
33	TOTAL APPROPRIATION	\$7,381,000

34 The appropriations in this section are subject to the following
35 conditions and limitations: \$40,000 of the general fund--state
36 appropriation for fiscal year 2005 is provided solely for the

1 implementation of Second Substitute Senate Bill No. 5012 (charter
2 schools). If the bill is not enacted by June 30, 2003, the amount
3 provided in this subsection shall lapse.

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

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

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

9	State Convention and Trade Center Account--State	
10	Appropriation	\$31,037,000
11	State Convention and Trade Center Operating Account--	
12	State Appropriation	\$40,581,000
13	TOTAL APPROPRIATION	\$71,618,000

(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, except as expressly provided in subsection (3) of this section.

(2) The department of social and health services shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation 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) \$229,414,000

1	General Fund--State Appropriation (FY 2005)	\$234,152,000
2	General Fund--Federal Appropriation	\$413,067,000
3	General Fund--Private/Local Appropriation	\$400,000
4	Public Safety and Education Account--State Appropriation .	\$23,920,000
5	Violence Reduction and Drug Enforcement Account--State	
6	Appropriation	\$5,358,000
7	TOTAL APPROPRIATION	\$906,311,000

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

10 (1) \$2,271,000 of the fiscal year 2004 general fund--state
11 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
12 appropriation, and \$1,584,000 of the general fund--federal
13 appropriation are provided solely for the category of services titled
14 "intensive family preservation services."

15 (2) \$701,000 of the general fund--state fiscal year 2004
16 appropriation and \$701,000 of the general fund--state fiscal year 2005
17 appropriation are provided to contract for the operation of one
18 pediatric interim care facility. The facility shall provide
19 residential care for up to thirteen children through two years of age.
20 Seventy-five percent of the children served by the facility must be in
21 need of special care as a result of substance abuse by their mothers.
22 The facility shall also provide on-site training to biological,
23 adoptive, or foster parents. The facility shall provide at least three
24 months of consultation and support to parents accepting placement of
25 children from the facility. The facility may recruit new and current
26 foster and adoptive parents for infants served by the facility. The
27 department shall not require case management as a condition of the
28 contract.

29 (3) \$375,000 of the general fund--state fiscal year 2004
30 appropriation, \$375,000 of the general fund--state fiscal year 2005
31 appropriation, and \$322,000 of the general fund--federal appropriation
32 are provided for up to three nonfacility-based programs for the
33 training, consultation, support, and recruitment of biological, foster,
34 and adoptive parents of children through age three in need of special
35 care as a result of substance abuse by their mothers, except that each
36 program may serve up to three medically fragile nonsubstance-abuse-
37 affected children. In selecting nonfacility-based programs, preference

1 shall be given to programs whose federal or private funding sources
2 have expired or that have successfully performed under the existing
3 pediatric interim care program.

4 (4) Within funding provided for the foster care and adoption
5 support programs, the department shall control reimbursement decisions
6 for foster care and adoption support cases such that the aggregate
7 average cost per case for foster care and for adoption support does not
8 exceed the amounts assumed in the projected caseload expenditures.

9 (5) \$50,000 of the fiscal year 2004 general fund--state
10 appropriation and \$50,000 of the fiscal year 2005 general fund--state
11 appropriation are provided solely for a street youth program in
12 Spokane.

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

15	General Fund--State Appropriation (FY 2004)	\$73,797,000
16	General Fund--State Appropriation (FY 2005)	\$71,942,000
17	General Fund--Federal Appropriation	\$12,207,000
18	General Fund--Private/Local Appropriation	\$1,098,000
19	Violence Reduction and Drug Enforcement Account--State	
20	Appropriation	\$35,471,000
21	Juvenile Accountability Incentive Account--Federal	
22	Appropriation	\$9,139,000
23	TOTAL APPROPRIATION	\$203,654,000

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

26 (1) \$696,000 of the violence reduction and drug enforcement account
27 appropriation is provided solely for deposit in the county criminal
28 justice assistance account for costs to the criminal justice system
29 associated with the implementation of chapter 338, Laws of 1997
30 (juvenile code revisions). The amounts provided in this subsection are
31 intended to provide funding for county adult court costs associated
32 with the implementation of chapter 338, Laws of 1997 and shall be
33 distributed in accordance with RCW 82.14.310.

34 (2) \$6,066,000 of the violence reduction and drug enforcement
35 account appropriation is provided solely for the implementation of
36 chapter 338, Laws of 1997 (juvenile code revisions). The amounts

1 provided in this subsection are intended to provide funding for county
2 impacts associated with the implementation of chapter 338, Laws of 1997
3 and shall be distributed to counties as prescribed in the current
4 consolidated juvenile services (CJS) formula.

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

14 (4) \$2,549,000 of the violence reduction and drug enforcement
15 account appropriation is provided solely to implement alcohol and
16 substance abuse treatment programs for locally committed offenders.
17 The juvenile rehabilitation administration shall award these moneys on
18 a competitive basis to counties that submitted a plan for the provision
19 of services approved by the division of alcohol and substance abuse.
20 The juvenile rehabilitation administration shall develop criteria for
21 evaluation of plans submitted and a timeline for awarding funding and
22 shall assist counties in creating and submitting plans for evaluation.

23 (5) \$100,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$100,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for juvenile rehabilitation
26 administration to contract with the institute for public policy for
27 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
28 revisions).

29 (6) \$100,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$100,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for a contract for expanded
32 services of the teamchild project.

33 (7) \$16,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$16,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the implementation of chapter
36 167, Laws of 1999 (firearms on school property). The amounts provided
37 in this subsection are intended to provide funding for county impacts

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

4 (8) \$900,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$900,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the continued implementation
7 of the juvenile violence prevention grant program established in
8 section 204, chapter 309, Laws of 1999.

9 (9) The juvenile rehabilitation administration, in consultation
10 with the juvenile court administrators, may agree on a formula to allow
11 the transfer of funds among amounts appropriated for consolidated
12 juvenile services, community juvenile accountability act grants, the
13 chemically dependent disposition alternative, and the special sex
14 offender disposition alternative. The juvenile rehabilitation
15 administration shall report to the legislature on the formula used and
16 the transferred funding amounts, on a semiannual basis, by county.

17 (10) For the purposes of a pilot project recommended by the family
18 policy council, the juvenile rehabilitation administration shall
19 provide a block grant, rather than categorical funding, for
20 consolidated juvenile services, community juvenile accountability act
21 grants, the chemically dependent disposition alternative, and the
22 special sex offender disposition alternative to the Pierce county
23 juvenile court. To evaluate the effect of decategorizing funding for
24 youth services, the juvenile court shall do the following:

25 (a) Develop intermediate client outcomes according to the risk
26 assessment tool (RAT) currently used by juvenile courts and in
27 coordination with the juvenile rehabilitation administration and the
28 family policy council;

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

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

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

1 (e) Provide an initial process evaluation to the juvenile
2 rehabilitation administration and the family policy council by January
3 30, 2004, and an intermediate evaluation by December 31, 2004. The
4 court shall develop this evaluation in consultation with the juvenile
5 rehabilitation administration, the family policy council, and the
6 Washington state institute of public policy.

7 (11) \$1,416,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$1,417,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for additional research-based
10 services to the juvenile parole population, including quality control
11 efforts to ensure appropriate implementation of research-based
12 services. The juvenile rehabilitation administration shall consult
13 with the institute for public policy in deciding which interventions to
14 provide to the parole population and appropriate levels of quality
15 control. Of the total general fund--state appropriation for fiscal
16 year 2004, up to \$55,000 may be used for additional suicide precaution
17 training for staff.

18 (12) \$1,478,000 of the juvenile accountability incentive account--
19 federal appropriation is provided solely for the continued
20 implementation of a pilot program to provide for postrelease planning
21 and treatment of juvenile offenders with co-occurring disorders.

22 (13) \$2,853,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$3,907,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely to reimburse counties for local
25 juvenile disposition alternatives implemented pursuant to Senate Bill
26 No. 5903 (juvenile offender sentencing). The juvenile rehabilitation
27 administration, in consultation with the juvenile court administrators,
28 shall develop an equitable distribution formula for the funding
29 provided in this subsection. The juvenile rehabilitation
30 administration may adjust this funding level in the event that
31 utilization rates of the disposition alternatives are lower than the
32 level anticipated by the total appropriations to the juvenile
33 rehabilitation administration in this section. If the bill is not
34 enacted by June 30, 2003, the amounts provided in this subsection shall
35 lapse.

36 (14) \$485,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$831,000 of the general fund--state appropriation for

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

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

14 (16) Amounts specified in this section in the conditions and
 15 limitations on appropriations of the violence reduction and drug
 16 enforcement account may be reduced by up to five percent by the
 17 department to effectively manage the reduced appropriation level of the
 18 account.

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

21 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

22	General Fund--State Appropriation (FY 2004)	\$209,033,000
23	General Fund--State Appropriation (FY 2005)	\$213,936,000
24	General Fund--Federal Appropriation	\$371,141,000
25	General Fund--Local Appropriation	\$1,970,000
26	Health Services Account--State Appropriation	\$2,450,000
27	TOTAL APPROPRIATION	\$798,530,000

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

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

34 (b) From the general fund--state appropriations in this subsection,
 35 the secretary of social and health services shall assure that regional
 36 support networks reimburse the aging and adult services program for the

1 general fund--state cost of medicaid personal care services that
2 enrolled regional support network consumers use because of their
3 psychiatric disability.

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

26 (d) Within funds appropriated in this subsection, the department
27 shall contract with the Clark county regional support network for
28 development and operation of a project demonstrating collaborative
29 methods for providing intensive mental health services in the school
30 setting for severely emotionally disturbed children who are medicaid
31 eligible. Project services are to be delivered by teachers and
32 teaching assistants who qualify as, or who are under the supervision
33 of, mental health professionals meeting the requirements of chapter
34 275-57 WAC. The department shall increase medicaid payments to the
35 regional support network by the amount necessary to cover the necessary
36 and allowable costs of the demonstration, not to exceed the upper
37 payment limit specified for the regional support network in the

1 department's medicaid waiver agreement with the federal government
2 after meeting all other medicaid spending requirements assumed in this
3 subsection. The regional support network shall provide the department
4 with (i) periodic reports on project service levels, methods, and
5 outcomes; and (ii) an intergovernmental transfer equal to the state
6 share of the increased medicaid payment provided for operation of this
7 project.

8 (e) The health services account appropriation is provided solely
9 for implementation of strategies which the department and the affected
10 regional support networks conclude will best assure continued
11 availability of community-based inpatient psychiatric services in all
12 areas of the state. Such strategies may include, but are not limited
13 to, emergency contracts for continued operation of inpatient facilities
14 otherwise at risk of closure because of demonstrated uncompensated
15 care; start-up grants for development of evaluation and treatment
16 facilities; and increases in the rate paid for inpatient psychiatric
17 services for medically indigent and/or general assistance for the
18 unemployed patients. The funds provided in this subsection must be:
19 (i) Prioritized for use in those areas of the state which are at
20 greatest risk of lacking sufficient inpatient psychiatric treatment
21 capacity, rather than being distributed on a formula basis; (ii)
22 prioritized for use by those hospitals that do not receive low-income
23 disproportionate share hospital payments as of the date of application
24 for funding; and (iii) matched on a one-quarter local and three-
25 quarters state basis by funding from the regional support network or
26 networks in the area in which the funds are expended. Payments from
27 the amount provided in this subsection shall not be made to any
28 provider that has not agreed that, except for prospective rate
29 increases, the payment shall offset, on a dollar-for-dollar basis, any
30 liability that may be established against, or any settlement that may
31 be agreed to by the state, regarding the rate of state reimbursement
32 for inpatient psychiatric care. The funds provided in this subsection
33 shall not be considered "available resources" as defined in RCW
34 71.24.025 and are not subject to the distribution formula established
35 pursuant to RCW 71.24.035.

36 (f) The department is authorized to implement a new formula for
37 allocating available resources among the regional support networks.

1 The distribution formula shall use the number of persons eligible for
 2 the state medical programs funded under chapter 74.09 RCW as the
 3 measure of the requirement for the number of acutely mentally ill,
 4 chronically mentally ill, severely emotionally disturbed children, and
 5 seriously disturbed in accordance with RCW 71.24.035(13)(a). The new
 6 formula shall be phased in over a period of no less than six years.
 7 Furthermore, the department shall increase the medicaid capitation
 8 rates which a regional support network would otherwise receive under
 9 the formula by an amount sufficient to assure that total funding
 10 allocated to the regional support network in fiscal year 2004 increases
 11 by up to 5.0 percent over the amount actually paid to that regional
 12 support network in fiscal year 2003, and by up to an additional 5.0
 13 percent in fiscal year 2005, if total funding to the regional support
 14 network would otherwise increase by less than those percentages under
 15 the new formula, and provided that the nonfederal share of the higher
 16 medicaid payment rate is provided by the regional support network from
 17 local funds.

18 (2) INSTITUTIONAL SERVICES

19	General Fund--State Appropriation (FY 2004)	\$92,626,000
20	General Fund--State Appropriation (FY 2005)	\$91,404,000
21	General Fund--Federal Appropriation	\$134,274,000
22	General Fund--Private/Local Appropriation	\$26,342,000
23	TOTAL APPROPRIATION	\$344,646,000

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

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

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

32 (3) CIVIL COMMITMENT

33	General Fund--State Appropriation (FY 2004)	\$29,827,000
34	General Fund--State Appropriation (FY 2005)	\$33,296,000
35	TOTAL APPROPRIATION	\$63,123,000

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

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

7 (b) \$300,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$300,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for mitigation funding for
10 jurisdictions affected by the placement of less restrictive alternative
11 facilities on McNeil Island for persons conditionally released from the
12 special commitment center facility. Of this amount, \$45,000 per year
13 shall be paid to the City of Lakewood on September 1, 2003, and
14 September 1, 2004, for police protection at western state hospital and
15 adjacent areas as partial reimbursement for services provided, up to
16 \$45,000 per year is provided for training police personnel on chapter
17 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000 per year
18 is provided for Pierce county for reimbursement of additional costs,
19 and the remaining amounts are for other documented costs by
20 jurisdictions directly impacted by the placement of the secure
21 community transition facility on McNeil Island. Pursuant to chapter
22 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), the department shall
23 continue to work with local jurisdictions towards reaching agreement
24 for mitigation costs.

25 (c) \$1,065,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$111,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the purchase of a vessel to
28 provide transportation to McNeil Island, consistent with increased
29 staffing.

30 (d) \$924,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,429,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for operational costs associated
33 with a less restrictive step-down placement facility located outside of
34 Pierce county. In selecting a site, the department is encouraged to
35 purchase or lease a site in an industrial area close to employment
36 opportunities and treatment services, in an effort to reduce operating
37 expenditures related to transportation and staff time.

1 (e) \$1,057,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,118,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the following enhancements at
4 the secure community transition facility on McNeil Island.
5 Notwithstanding any other provision of law, the department shall
6 implement these enhancements:

7 (i) Increase the supervisory staffing ratio from one staff per
8 three residents to one staff per resident during normal waking hours
9 and from one awake staff per four residents to one awake staff per
10 three residents during normal sleeping hours; and

11 (ii) Maintain a twenty-four-hour law enforcement presence in
12 addition to the emergency response team already providing a law
13 enforcement presence on McNeil Island.

14 (4) SPECIAL PROJECTS

15 General Fund--Federal Appropriation \$2,082,000

16 (5) PROGRAM SUPPORT

17 General Fund--State Appropriation (FY 2004) \$2,729,000

18 General Fund--State Appropriation (FY 2005) \$2,637,000

19 General Fund--Federal Appropriation \$4,759,000

20 TOTAL APPROPRIATION \$10,125,000

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

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

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

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

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

8 (1) COMMUNITY SERVICES

9	General Fund--State Appropriation (FY 2004)	\$271,224,000
10	General Fund--State Appropriation (FY 2005)	\$265,628,000
11	General Fund--Federal Appropriation	\$435,844,000
12	Health Services Account--State Appropriation	\$1,038,000
13	TOTAL APPROPRIATION	\$973,734,000

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

16 (a) The health services account appropriation and \$1,038,000 of the
17 general fund--federal appropriation are provided solely for health care
18 benefits for home care workers with family incomes below 175 percent of
19 the federal poverty level who are employed through state contracts for
20 twenty hours per week or more. Premium payments for individual
21 provider home care workers shall be made only to the subsidized basic
22 health plan. Home care agencies may obtain coverage either through the
23 basic health plan or through an alternative plan with substantially
24 equivalent benefits.

25 (b) The department shall work with representatives of community
26 residential service providers and representatives of persons served in
27 community residential programs to identify current rules and policies
28 that are redundant and/or are not helpful to positive client outcomes.
29 The department shall modify or repeal the rules and policies identified
30 and report the results to the appropriate committees of the legislature
31 by July 1, 2004.

32 (c) \$10,000,000 of the general fund--state appropriation for fiscal
33 year 2004 is provided solely for one-time expenditures needed to meet
34 the federally required level for state supplemental payments (SSP).
35 The department may transfer a portion of this amount to other programs
36 within the agency to accomplish this purpose. To the extent that the

1 required expenditure level must be met by funding new services,
2 expansion of the high school transition program shall be the first
3 priority.

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

8 (2) INSTITUTIONAL SERVICES

9	General Fund--State Appropriation (FY 2004)	\$71,782,000
10	General Fund--State Appropriation (FY 2005)	\$63,380,000
11	General Fund--Federal Appropriation	\$137,296,000
12	General Fund--Private/Local Appropriation	\$11,228,000
13	TOTAL APPROPRIATION	\$283,686,000

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

20 (3) PROGRAM SUPPORT

21	General Fund--State Appropriation (FY 2004)	\$2,201,000
22	General Fund--State Appropriation (FY 2005)	\$2,200,000
23	General Fund--Federal Appropriation	\$2,898,000
24	Telecommunications Devices for the Hearing 25 and Speech Impaired Account Appropriation	\$1,782,000
26	TOTAL APPROPRIATION	\$9,081,000

27 The appropriations in this subsection are subject to the following
28 conditions and limitations: The department shall submit a report to
29 the fiscal committees of the legislature by December 1, 2003,
30 describing progress in consolidating program administrative functions
31 within the aging and disabilities administration to ensure that the
32 overspending of the appropriations for program support in the
33 developmental disabilities program in prior fiscal periods does not
34 continue.

35 (4) SPECIAL PROJECTS

36	General Fund--Federal Appropriation	\$11,997,000
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1 NEW SECTION. **Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**

2 **SERVICES--AGING AND ADULT SERVICES PROGRAM**

3	General Fund--State Appropriation (FY 2004)	\$548,451,000
4	General Fund--State Appropriation (FY 2005)	\$555,567,000
5	General Fund--Federal Appropriation	\$1,137,168,000
6	General Fund--Private/Local Appropriation	\$18,644,000
7	Health Services Account--State Appropriation	\$4,888,000
8	TOTAL APPROPRIATION	\$2,264,718,000

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

11 (1) The entire health services account appropriation, \$1,476,000 of
12 the general fund--state appropriation for fiscal year 2004, \$1,476,000
13 of the general fund--state appropriation for fiscal year 2005, and
14 \$7,284,000 of the general fund--federal appropriation are provided
15 solely for health care benefits for home care workers who are employed
16 through state contracts for at least twenty hours per week. Premium
17 payments for individual provider home care workers shall be made only
18 to the subsidized basic health plan, and only for persons with incomes
19 below 175 percent of the federal poverty level. Home care agencies may
20 obtain coverage either through the basic health plan or through an
21 alternative plan with substantially equivalent benefits.

22 (2) For purposes of implementing chapter 74.46 RCW, the weighted
23 average nursing facility payment rate shall be no more than \$144.54 for
24 fiscal year 2004, and no more than \$147.43 for fiscal year 2005. For
25 all facilities, the direct care, therapy care, support services, and
26 operations component rates established in accordance with chapter 74.46
27 RCW shall be adjusted for economic trends and conditions by 3.0 percent
28 effective July 1, 2003.

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

36 (4) Adult day health services shall not be considered a duplication

1 of services for persons receiving care in long-term care settings
2 licensed under chapter 18.20, 72.36, or 70.128 RCW.

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

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

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

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

19 (6) \$50,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$50,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for payments to any nursing
22 facility licensed under chapter 18.51 RCW that meets all of the
23 following criteria: (a) The nursing home entered into an arm's length
24 agreement for a facility lease prior to January 1, 1980; (b) the lessee
25 purchased the leased nursing home after January 1, 1980; and (c) the
26 lessor defaulted on its loan or mortgage for the assets of the home
27 after January 1, 1991, and prior to January 1, 1992. Payments provided
28 pursuant to this subsection shall not be subject to the settlement,
29 audit, or rate-setting requirements contained in chapter 74.46 RCW.

30 (7) The department shall establish waiting lists to the extent
31 necessary to assure that annual expenditures on the community options
32 program entry systems (COPES) program do not exceed appropriated
33 levels. In establishing and managing any such waiting list, the
34 department shall assure priority access to persons with the greatest
35 unmet needs, as determined by department assessment processes.

36 (8) \$163,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$162,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for implementation of Substitute
2 Senate Bill No. 5904 (senior drug assistance). If Substitute Senate
3 Bill No. 5904 is not enacted by June 30, 2003, the amounts provided in
4 this subsection shall lapse.

5 (9) \$6,736,000 of the general fund--state appropriation for fiscal
6 year 2004, \$7,563,000 of the general fund--state appropriation for
7 fiscal year 2005, and \$13,171,000 of the general fund--federal
8 appropriation are provided solely for direct client services under the
9 adult day health program. The department shall not use any of the
10 funds appropriated in this subsection to employ staff or contractors to
11 conduct eligibility determination or service plan development for
12 current or prospective recipients of adult day health services.

13 (10) \$1,768,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$1,768,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for operation of the volunteer
16 chore services program.

17 (11) The department is authorized to increase the nursing facility
18 direct care component rate allocation calculated under RCW 74.46.506 to
19 the extent necessary to avoid more expensive care for adults who have
20 tracheostomies or who are ventilator dependent, and for medically
21 fragile children. The department shall establish criteria and methods
22 for such exceptional care payments in rule.

23 (12) Within funds appropriated in this section and within section
24 205 of this act, the department shall assess at least annually each
25 elderly resident residing in residential habilitation centers and
26 state-operated living alternatives to determine if the resident can be
27 more appropriately served in a less restrictive setting.

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

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

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

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

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

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

7	General Fund--State Appropriation (FY 2004)	\$403,182,000
8	General Fund--State Appropriation (FY 2005)	\$395,401,000
9	General Fund--Federal Appropriation	\$1,373,091,000
10	General Fund--Private/Local Appropriation	\$36,704,000
11	TOTAL APPROPRIATION	\$2,208,378,000

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

14 (1) Within funds provided for the WorkFirst program, the department
15 shall:

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

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

33 (c) Include an urban adjustment factor for child care providers in
34 urban areas of region 1.

35 (2) \$42,759,120 of the general fund--state appropriation for fiscal
36 year 2004 and \$35,650,261 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for cash assistance and other
 2 services to recipients in the general assistance--unemployable program.
 3 Within these amounts, the department may expend funds for services that
 4 assist recipients to reduce their dependence on public assistance,
 5 provided that expenditures for these services and cash assistance do
 6 not exceed the funds provided.

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

12 (4) \$13,852,000 of the general fund--federal appropriation is
 13 provided solely for increased reimbursement of county legal-clerk
 14 services for child support enforcement. The department shall ensure
 15 this increase in cost does not reduce federal incentive payments.

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

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

25	General Fund--State Appropriation (FY 2004)	\$37,398,000
26	General Fund--State Appropriation (FY 2005)	\$37,385,000
27	General Fund--Federal Appropriation	\$90,655,000
28	General Fund--Private/Local Appropriation	\$630,000
29	Public Safety and Education Account--State	
30	Appropriation	\$10,860,000
31	Criminal Justice Treatment Account--State Appropriation . .	\$8,950,000
32	Violence Reduction and Drug Enforcement Account--State	
33	Appropriation	\$45,925,000
34	TOTAL APPROPRIATION	\$231,803,000

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

1 (1) \$1,500,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,500,000 of the general fund-- state appropriation for
3 fiscal year 2005 are provided solely for expansion of treatment
4 services in the alcoholism and drug addiction treatment support act
5 (ADATSA) program. If Second Substitute Senate Bill No. 6017 is not
6 enacted by June 30, 2003, the amount provided shall lapse.

7 (2) \$966,197 of the general fund--state appropriation for fiscal
8 year 2004 and \$966,197 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for the parent child assistance
10 program. The department shall contract with the University of
11 Washington and community based providers in Spokane and Yakima for the
12 provision of this program. For all contractors, indirect charges for
13 administering the program shall not exceed ten percent of the total
14 contract amount.

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

17	General Fund--State Appropriation (FY 2004)	\$1,176,552,000
18	General Fund--State Appropriation (FY 2005)	\$1,256,131,000
19	General Fund--Federal Appropriation	\$3,726,997,000
20	General Fund--Private/Local Appropriation	\$272,040,000
21	Health Services Account--State Appropriation	\$738,173,000
22	Emergency Medical Services and Trauma Care Systems	
23	Account--State Appropriation	\$14,500,000
24	TOTAL APPROPRIATION	\$7,184,393,000

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

27 (1) In accordance with RCW 74.46.625, \$52,057,000 of the fiscal
28 year 2004 health services account appropriation, \$35,016,000 of the
29 fiscal year 2005 health services account appropriation, and \$87,074,000
30 of the general fund--federal appropriation are provided solely for
31 supplemental payments to nursing homes operated by rural public
32 hospital districts. The payments shall be conditioned upon (a) a
33 contractual commitment by the association of public hospital districts
34 and participating rural public hospital districts to make an
35 intergovernmental transfer to the state treasurer, for deposit into the
36 health services account, equal to at least 95 percent of the

1 supplemental payments; (b) a contractual commitment by the association
2 of public hospital districts to return at least 5 percent of the
3 supplemental payments to the participating rural hospital districts;
4 and (c) a contractual commitment by the participating districts to not
5 allow expenditures covered by the supplemental payments to be used for
6 medicaid nursing home rate- setting. The participating districts shall
7 retain no more than a total of \$8,700,000 for the 2003-05 biennium.

8 (2) \$14,616,000 of the health services account appropriation for
9 fiscal year 2004, \$12,394,000 of the health services account
10 appropriation for fiscal year 2005, and \$27,010,000 of the general
11 fund--federal appropriation are provided solely for additional
12 disproportionate share and medicare upper payment limit payments to
13 public hospital districts.

14 The payments shall be conditioned upon a contractual commitment by
15 the participating public hospital districts to make an
16 intergovernmental transfer to the health services account equal to at
17 least 91 percent of the additional payments. The state's teaching
18 hospitals shall retain at least 28 percent of the amounts retained by
19 hospitals under these programs, or the maximum allowable under the
20 state teaching hospitals' limits as set under federal rules, whichever
21 is less.

22 (3) 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, and state children's health
25 insurance program eligibility to those residing in households with
26 incomes below 250 percent of the federal poverty level.

27 (4) For purposes of RCW 74.09.800, no funds are appropriated in
28 this section to provide maternity care services to low-income women who
29 are not eligible to receive such services under the medical assistance
30 program, Title XIX of the federal social security act.

31 (5) No funds are appropriated in this section for continued
32 operation of the buy-in program authorized in RCW 74.09.510(7) and
33 74.09.540.

34 (6) Sufficient funds are appropriated in this section for the
35 department to continue to provide podiatry services for medicaid-
36 eligible adults.

1 (7) Sufficient funds are appropriated in this section for the
2 department to provide an adult dental benefit equivalent to
3 approximately 70 percent of the dental benefit provided during the
4 2001-03 biennium. The department shall establish the scope of services
5 to be provided within the available funds in consultation with dental
6 providers and consumer representatives.

7 (8) \$3,100,000 of the health services account appropriation,
8 \$8,416,000 of the general fund--local appropriation, and \$11,516,000 of
9 the general fund--federal appropriation are provided solely for grants
10 to rural hospitals. The department shall distribute the funds under a
11 formula that provides a relatively larger share of the available
12 funding to hospitals that (a) serve a disproportionate share of low-
13 income and medically indigent patients, and (b) have relatively smaller
14 net financial margins.

15 (9) \$20,000,000 of the health services account appropriation and
16 \$20,000,000 of the general fund--federal appropriation are provided
17 solely for grants to nonrural hospitals. The department shall
18 distribute the funds under a formula that provides a relatively larger
19 share of the available funding to hospitals that (a) serve a
20 disproportionate share of low-income and medically indigent patients,
21 and (b) have relatively smaller net financial margins.

22 (10) The department shall establish managed care rates within
23 available funds in a manner that promotes health plan efficiency,
24 encourages continuity of service, and assures access in underserved
25 areas.

26 (11) The department shall separately track the total amount of any
27 rebates obtained from drug manufacturers that are supplemental to the
28 amounts required by federal law. The department shall report to the
29 fiscal committees of the house of representatives and senate by January
30 15, 2004, and by January 15, 2005, on supplemental rebates negotiated
31 to date, and their projected value through the end of the current and
32 the next succeeding fiscal year. The report shall include options for
33 using any rebate amounts in excess of those assumed in this budget to
34 increase pharmacy reimbursement rates.

35 (12) \$156,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$1,403,000 of the general fund--federal appropriation are
37 provided solely for a study to assess alternatives for replacing the

1 existing medicaid management information system. The department shall
2 report to the information services board and to the fiscal committees
3 of the legislature by December 1, 2003, on the anticipated costs and
4 benefits of the major alternative approaches. The department shall
5 receive specific authorization in the 2003-05 appropriations act before
6 proceeding with procurement of the replacement system.

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

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

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

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

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

34 (18) The department shall, within available resources, design and
35 implement a medical care services care management pilot project for
36 clients receiving general assistance benefits. The pilot project shall
37 be operated in at least two of the counties with the highest

1 concentration of general assistance clients, and may use a full or
 2 partial capitation model. In designing the project, the department
 3 shall consult with the mental health division and its managed care
 4 contractors that include community and migrant health centers in their
 5 provider network. The pilot project shall be designed to maximize care
 6 coordination, high-risk medical management, and chronic care management
 7 to achieve better health outcomes. The pilot project shall begin
 8 enrollment on July 1, 2004.

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

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

16	General Fund--State Appropriation (FY 2004)	\$10,151,000
17	General Fund--State Appropriation (FY 2005)	\$10,121,000
18	General Fund--Federal Appropriation	\$84,705,000
19	General Fund--Private/Local Appropriation	\$440,000
20	TOTAL APPROPRIATION	\$105,417,000

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

23	General Fund--State Appropriation (FY 2004)	\$30,454,000
24	General Fund--State Appropriation (FY 2005)	\$28,423,000
25	General Fund--Federal Appropriation	\$59,258,000
26	General Fund--Private/Local Appropriation	\$810,000
27	TOTAL APPROPRIATION	\$118,945,000

28 The appropriations in this section are subject to the following
 29 conditions and limitations: \$1,962,000 of the general fund--state
 30 appropriation for fiscal year 2004, \$1,963,000 of the general fund--
 31 state appropriation for 2005, and \$3,925,000 of the general fund--
 32 federal appropriation are provided solely for transition costs
 33 associated with the closure of Fircrest school as directed by Engrossed
 34 Senate Bill No. 5971. To minimize the disruption to the ongoing work
 35 plan of the developmental disabilities program, the department shall

1 organize the Fircrest school closure and resident transition effort to
2 report to an organizational unit outside the division of developmental
3 disabilities. Within the funds provided in this subsection, the
4 department shall:

5 (a) Contract with a cost report expert to determine appropriate
6 ways to maximize federal reimbursement during the closure of the
7 facility;

8 (b) Negotiate with representatives of employees affected by the
9 closure to determine how to assist employees who need help to relocate
10 to other state jobs, to transition to private sector positions, to
11 retire early, or to cover the costs of unemployment benefits.

12 (c) Keep the appropriate committees of the legislature informed of
13 the development of and revisions to a work plan to close the facility
14 through regular written reports, periodic e-mail updates to committee
15 members and staff, and/or through other means that keep the committees
16 up-to-date on the progress of the closure.

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

19	General Fund--State Appropriation (FY 2004)	\$43,882,000
20	General Fund--State Appropriation (FY 2005)	\$43,882,000
21	General Fund--Federal Appropriation	\$43,674,000
22	TOTAL APPROPRIATION	\$131,438,000

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

24	General Fund--Federal Appropriation	\$3,358,000
25	State Health Care Authority Administrative Account--	
26	State Appropriation	\$17,499,000
27	Medical Aid Account--State Appropriation	\$128,000
28	Health Services Account--State Appropriation	\$415,426,000
29	TOTAL APPROPRIATION	\$436,411,000

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

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

1 Under this enhanced subsidy option, foster parents and home care
2 workers with family incomes at or below 175 percent of the federal
3 poverty level shall be allowed to enroll in the basic health plan at a
4 cost of twelve dollars and fifty cents per covered worker per month.

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

13 (3) Until January 1, 2004, the health care authority shall admit
14 new members to the basic health plan only to the extent authorized
15 under the authority's September 6, 2001, administrative policy on basic
16 health plan enrollment management.

17 (4) \$162,500,000 of the health services account appropriation is
18 provided solely for expenditure in calendar year 2004, and \$91,000,000
19 of the health services account appropriation is provided solely for
20 expenditure in calendar year 2005, to subsidize basic health plan
21 coverage for persons with family incomes at or below 175 percent of the
22 federal poverty level.

23 (5) \$500,000 of the health services account appropriation is
24 provided solely for a contract with a university or other qualified
25 organization to link state residents with manufacturer-sponsored drug
26 discount programs as provided in Substitute Senate Bill No. 5904. If
27 Substitute Senate Bill No. 5904 is not enacted by June 30, 2003, the
28 amount provided in this subsection shall lapse.

29 (6) \$1,365,000 of the health services account appropriation is
30 provided solely for start-up funding for a purchasing pool that will
31 enable certain state residents to benefit from the discounted prices
32 the state is able to achieve as a result of its volume purchasing power
33 as provided in Substitute Senate Bill No. 5904. If Substitute Senate
34 Bill No. 5904 is not enacted by June 30, 2003, the amount provided in
35 this subsection shall lapse.

36 (7) \$5,000,000 of the health services account appropriation is
37 provided solely for distribution to community clinics for provision of

1 prenatal care for women no longer eligible for such services from the
2 department of social and health services due to their immigration
3 status. These funds shall be distributed among clinics proportional to
4 their historic levels of service to such persons.

5 (8) \$6,000,000 of the health services account--state appropriation
6 is provided solely to increase the number of persons not eligible for
7 medicaid receiving dental care from nonprofit community clinics, and
8 for interpreter services to support dental and medical services for
9 persons for whom interpreters are not available from any other source.

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

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

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

17 **APPEALS**

18	Worker and Community Right-to-Know Account--State	
19	Appropriation	\$20,000
20	Accident Account--State Appropriation	\$15,152,000
21	Medical Aid Account--State Appropriation	\$15,151,000
22	TOTAL APPROPRIATION	\$30,323,000

23 The appropriations in this section are subject to the following
24 conditions and limitations: \$192,000 of the accident account--state
25 appropriation and \$192,000 of the medical aid account--state
26 appropriation are provided solely for implementing the provisions of
27 Senate Bill No. 5271 (workers compensation/hearing loss). If the bill
28 is not enacted by June 30, 2003, the amounts provided shall lapse.

29 NEW SECTION. **Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING**
30 **COMMISSION**

31	Death Investigations Account--State Appropriation	\$148,000
32	Public Safety and Education Account--State	
33	Appropriation	\$18,098,000
34	Municipal Criminal Justice Assistance Account--	

1	Private/Local Appropriation	\$460,000
2	TOTAL APPROPRIATION	\$18,706,000

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

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

11 (2) \$136,000 of the public safety and education account
12 appropriation is provided solely to allow the Washington association of
13 prosecuting attorneys to enhance the training provided to criminal
14 justice personnel.

15 (3) \$65,000 of the public safety and education account
16 appropriation is provided solely for regionalized training programs for
17 school district and local law enforcement officials on school safety
18 issues.

19 (4) \$250,000 of the public safety and education account
20 appropriation is provided solely to the Washington association of
21 sheriffs and police chiefs for the staffing and support of a web site
22 to provide information about sex offenders.

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

25	General Fund--State Appropriation (FY 2004)	\$5,848,000
26	General Fund--State Appropriation (FY 2005)	\$5,821,000
27	Public Safety and Education Account--State	
28	Appropriation	\$22,338,000
29	Public Safety and Education Account--Federal	
30	Appropriation	\$8,462,000
31	Asbestos Account--State Appropriation	\$683,000
32	Electrical License Account--State Appropriation	\$28,469,000
33	Farm Labor Revolving Account--Private/Local	
34	Appropriation	\$28,000
35	Worker and Community Right-to-Know Account--State	
36	Appropriation	\$2,507,000

1	Public Works Administration Account--State	
2	Appropriation	\$2,281,000
3	Accident Account--State Appropriation	\$189,300,000
4	Accident Account--Federal Appropriation	\$13,384,000
5	Medical Aid Account--State Appropriation	\$188,468,000
6	Medical Aid Account--Federal Appropriation	\$2,948,000
7	Plumbing Certificate Account--State Appropriation	\$1,441,000
8	Pressure Systems Safety Account--State Appropriation	\$2,768,000
9	TOTAL APPROPRIATION	\$474,746,000

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

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

14 (1) Pursuant to RCW 7.68.015, the department shall operate the
15 crime victims' compensation program within the public safety and
16 education account funds appropriated in this section. In the event
17 that cost containment measures are necessary, the department may (a)
18 institute copayments for services; (b) develop preferred provider
19 contracts; or (c) utilize other cost containment measures. Cost
20 containment measures shall not include holding invoices received in one
21 fiscal period for payment from appropriations in subsequent fiscal
22 periods. No more than \$5,400,000 of the public safety and education
23 account appropriation shall be expended for department administration
24 of the crime victims' compensation program.

25 (2) \$314,000 of the accident account--state appropriation and
26 \$56,000 of the medical aid account--state appropriation are provided
27 solely for implementing Second Substitute Senate Bill No. 5890
28 (agricultural workers). If the bill is not enacted by June 30, 2003,
29 the amounts provided in this subsection shall lapse.

30 (3) \$1,000,000 of the accident account--state appropriation and
31 \$1,000,000 of the medical aid account--state appropriation are provided
32 solely for implementing Substitute Senate Bill No. 5378 (workers
33 compensation). If the bill is not enacted by June 30, 2003, the
34 amounts provided in this subsection shall lapse.

35 (4) \$207,000 of the plumbing certificate account--state
36 appropriation and \$268,000 of the pressure systems safety account--
37 state appropriation are provided solely for implementing Substitute

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

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

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

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

10 (1) HEADQUARTERS

11	General Fund--State Appropriation (FY 2004)	\$1,561,000
12	General Fund--State Appropriation (FY 2005)	\$1,562,000
13	Charitable, Educational, Penal, and Reformatory	
14	Institutions Account--State Appropriation	\$11,000
15	TOTAL APPROPRIATION	\$3,134,000

16 (2) FIELD SERVICES

17	General Fund--State Appropriation (FY 2004)	\$2,596,000
18	General Fund--State Appropriation (FY 2005)	\$2,596,000
19	General Fund--Federal Appropriation	\$304,000
20	General Fund--Private/Local Appropriation	\$1,679,000
21	TOTAL APPROPRIATION	\$7,175,000

22 (3) INSTITUTIONAL SERVICES

23	General Fund--State Appropriation (FY 2004)	\$7,500,000
24	General Fund--State Appropriation (FY 2005)	\$5,918,000
25	General Fund--Federal Appropriation	\$27,161,000
26	General Fund--Private/Local Appropriation	\$27,779,000
27	TOTAL APPROPRIATION	\$68,358,000

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

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

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

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

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

5	General Fund--State Appropriation (FY 2004)	\$55,481,000
6	General Fund--State Appropriation (FY 2005)	\$57,646,000
7	General Fund--Federal Appropriation	\$349,128,000
8	General Fund--Private/Local Appropriation	\$92,723,000
9	Hospital Commission Account--State Appropriation	\$2,490,000
10	Health Professions Account--State Appropriation	\$40,176,000
11	Emergency Medical Services and Trauma Care Systems	
12	Trust Account--State Appropriation	\$12,560,000
13	Safe Drinking Water Account--State Appropriation	\$2,736,000
14	Drinking Water Assistance Account--Federal	
15	Appropriation	\$13,518,000
16	Waterworks Operator Certification--State Appropriation	\$637,000
17	Water Quality Account--State Appropriation	\$3,373,000
18	State Toxics Control Account--State Appropriation	\$2,773,000
19	Medical Test Site Licensure Account--State Appropriation	\$1,718,000
20	Youth Tobacco Prevention Account--State Appropriation	\$1,806,000
21	Accident Account--State Appropriation	\$260,000
22	Medical Aid Account--State Appropriation	\$46,000
23	Health Services Account--State Appropriation	\$34,293,000
24	Tobacco Prevention and Control Account--State	
25	Appropriation	\$52,516,000
26	TOTAL APPROPRIATION	\$723,880,000

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

29 (1) The department or any successor agency is authorized to raise
30 existing fees charged for health care assistants, commercial shellfish
31 paralytic shellfish poisoning, commercial shellfish licenses, and
32 newborn screening programs in excess of the fiscal growth factor under
33 chapter 43.135 RCW if necessary to meet the actual costs of conducting
34 business and the appropriation levels in this section.

35 (2) \$1,488,000 of the general fund--state fiscal year 2004
36 appropriation and \$1,489,000 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 department of social and health services, the office of the
31 superintendent of public instruction, and the department of health
32 should jointly identify opportunities for early intervention and
33 prevention activities that can help prevent disease and reduce oral
34 health issues among children. Disease prevention among infants at the
35 age of one year and among children entering the K-12 education system
36 provides cost-effective ways to avoid higher health care spending later
37 in life.

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

2 (1) ADMINISTRATION AND SUPPORT SERVICES

3	General Fund--State Appropriation (FY 2004)	\$38,107,000
4	General Fund--State Appropriation (FY 2005)	\$35,124,000
5	Violence Reduction and Drug Enforcement Account--State	
6	Appropriation	\$26,000
7	Public Safety and Education Account--State	
8	Appropriation	\$3,624,000
9	TOTAL APPROPRIATION	\$76,881,000

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

16 (2) CORRECTIONAL OPERATIONS

17	General Fund--State Appropriation (FY 2004)	\$440,797,000
18	General Fund--State Appropriation (FY 2005)	\$449,432,000
19	General Fund--Federal Appropriation	\$8,746,000
20	Institutional Welfare Betterment Fund--State	
21	Appropriation	\$1,400,000
22	Violence Reduction and Drug Enforcement Account--State	
23	Appropriation	\$4,350,000
24	TOTAL APPROPRIATION	\$904,725,000

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

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

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

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

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

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

14 (e) During the 2003-2005 biennium, when contracts are established
15 or renewed for offender pay phone and other telephone services provided
16 to inmates, the department shall select the contractor or contractors
17 primarily based on the following factors: (i) The lowest rate charged
18 to both the inmate and the person paying for the telephone call; and
19 (ii) the lowest commission rates paid to the department, while
20 providing reasonable compensation to cover the costs of the department
21 to provide the telephone services to inmates and provide sufficient
22 revenues for the activities funded from the institutional welfare
23 betterment account.

24 (f) \$2,984,000 of the violence reduction and drug enforcement
25 appropriation is provided solely for chemical dependency treatment to
26 offenders pursuant to the drug reform act of 2002.

27 (3) COMMUNITY SUPERVISION

28 General Fund--State Appropriation (FY 2004)	\$74,617,000
29 General Fund--State Appropriation (FY 2005)	\$73,166,000
30 Public Safety and Education Account--State	
31 Appropriation	\$15,492,000
32 TOTAL APPROPRIATION	\$163,275,000

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

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

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

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

11 (c) \$3,500,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$3,500,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for enhanced supervision by
14 community corrections officers of offenders classified in risk
15 classifications RM-A and RM-B.

16 (d) \$100,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely for a pilot project to test the
18 availability, reliability, and effectiveness of an electronic
19 monitoring system based on passive data logging global positioning
20 system technology for monitoring sex offenders.

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

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

27 (iii) The pilot project shall test the system using sex or
28 kidnapping offenders under the jurisdiction of the department of
29 corrections and persons civilly committed under chapter 71.09 RCW under
30 a variety of supervision circumstances. Offenders included in the
31 pilot project shall be offenders who have been classified as level
32 three offenders by the end of sentence review committee and over whom
33 the department of corrections has authority to establish conditions of
34 supervision or persons who have been ordered to be electronically
35 monitored by the court in a proceeding under chapter 71.09 RCW and who
36 have been classified as level three offenders by the end of sentence
37 review committee.

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

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

8 (A) The availability of the technology, including a description of
9 the system used and a discussion of the various types of global
10 positioning system-based monitoring available and appropriate for a sex
11 offender population;

12 (B) Any geographic or weather-related limitations posed by the
13 technology;

14 (C) The reliability, including the false alarm rate of the
15 technology;

16 (D) Any training requirements for department of corrections staff
17 or supervised persons;

18 (E) Any distinctions in effectiveness or feasibility for different
19 supervision populations;

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

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

24 (H) The rate of loss or damage to equipment used by the subjects of
25 the pilot; and

26 (I) Limitations in the pilot to determining the answers to the
27 items in this subsection (3)(c)(v).

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

31 (4) CORRECTIONAL INDUSTRIES

32	General Fund--State Appropriation (FY 2004)	\$642,000
33	General Fund--State Appropriation (FY 2005)	\$642,000
34	TOTAL APPROPRIATION	\$1,284,000

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: \$110,000 of the general fund--state
37 appropriation for fiscal year 2004 and \$110,000 of the general fund--

1 state appropriation for fiscal year 2005 are provided solely for
 2 transfer to the jail industries board. The board shall use the amounts
 3 provided only for administrative expenses, equipment purchases, and
 4 technical assistance associated with advising cities and counties in
 5 developing, promoting, and implementing consistent, safe, and efficient
 6 offender work programs.

7 (5) INTERAGENCY PAYMENTS

8	General Fund--State Appropriation (FY 2004)	\$27,951,000
9	General Fund--State Appropriation (FY 2005)	\$27,986,000
10	TOTAL APPROPRIATION	\$55,937,000

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

13 **FOR THE DEPARTMENT OF CORRECTIONS.**

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

23 (1) ADMINISTRATION AND SUPPORT SERVICES

24	General Fund--State Appropriation (FY 2002)	\$36,786,000
25	General Fund--State Appropriation (FY 2003)	(\$36,239,000)
26		<u>\$32,989,000</u>
27	Public Safety and Education Account--State	
28	Appropriation	\$1,576,000
29	Violence Reduction and Drug Enforcement	
30	Account Appropriation	\$3,254,000
31	TOTAL APPROPRIATION	(\$77,855,000)
32		<u>\$74,605,000</u>

33 The appropriations in this subsection are subject to the following
 34 conditions and limitations: \$4,623,000 of the general fund--state
 35 appropriation for fiscal year 2002, ~~(\$4,623,000)~~ \$1,373,000 of the

1 general fund-- state appropriation for fiscal year 2003, and \$3,254,000
2 of the violence reduction and drug enforcement account appropriation
3 are provided solely for the replacement of the department's offender-
4 based tracking system. This amount is conditioned on the department
5 satisfying the requirements of section 902 of this act. The department
6 shall prepare an assessment of the fiscal impact of any changes to the
7 replacement project. The assessment shall:

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

10 (b) Provide the estimated costs for each component in the 2001-03
11 and subsequent biennia;

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

14 (d) Be provided to the office of financial management, the
15 department of information services, the information services board, and
16 the staff of the fiscal committees of the senate and the house of
17 representatives no later than November 1, 2002.

18 (2) CORRECTIONAL OPERATIONS

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

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

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

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

1 (c) 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 (d) \$553,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$956,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided solely to increase payment rates for
9 contracted education providers, contracted chemical dependency
10 providers, and contracted work release facilities.

11 (e) During the 2001-03 biennium, when contracts are established or
12 renewed for offender pay phone and other telephone services provided to
13 inmates, the department shall select the contractor or contractors
14 primarily based on the following factors: (i) The lowest rate charged
15 to both the inmate and the person paying for the telephone call; and
16 (ii) the lowest commission rates paid to the department, while
17 providing reasonable compensation to cover the costs of the department
18 to provide the telephone services to inmates and provide sufficient
19 revenues for the activities funded from the institutional welfare
20 betterment account.

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

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

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

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

6 (3) COMMUNITY SUPERVISION

7	General Fund--State Appropriation (FY 2002)	\$68,097,000
8	General Fund--State Appropriation (FY 2003)	\$77,436,000
9	General Fund--Federal Appropriation	\$870,000
10	Public Safety and Education	
11	Account--State Appropriation	\$15,493,000
12	TOTAL APPROPRIATION	\$161,896,000

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

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

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

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

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

1 (4) CORRECTIONAL INDUSTRIES

2	General Fund--State Appropriation (FY 2002)	\$631,000
3	General Fund--State Appropriation (FY 2003)	\$629,000
4	TOTAL APPROPRIATION	\$1,260,000

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

14 (5) INTERAGENCY PAYMENTS

15	General Fund--State Appropriation (FY 2002)	\$18,568,000
16	General Fund--State Appropriation (FY 2003)	\$18,569,000
17	TOTAL APPROPRIATION	\$37,137,000

18 **NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE**
19 **BLIND**

20	General Fund--State Appropriation (FY 2004)	\$1,773,000
21	General Fund--State Appropriation (FY 2005)	\$1,773,000
22	General Fund--Federal Appropriation	\$14,334,000
23	General Fund--Private/Local Appropriation	\$80,000
24	TOTAL APPROPRIATION	\$17,960,000

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

26	General Fund--State Appropriation (FY 2004)	\$737,000
27	General Fund--State Appropriation (FY 2005)	\$741,000
28	TOTAL APPROPRIATION	\$1,478,000

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

30	General Fund--Federal Appropriation	\$265,438,000
31	General Fund--Private/Local Appropriation	\$29,861,000
32	Unemployment Compensation Administration Account--	
33	Federal Appropriation	\$178,405,000
34	Administrative Contingency Account--State	

1	Appropriation	\$13,400,000
2	Employment Service Administrative Account--State	
3	Appropriation	\$22,654,000
4	TOTAL APPROPRIATION	\$509,758,000

(End of part)

PART III
NATURAL RESOURCES

NEW SECTION. **Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION**

General Fund--State Appropriation (FY 2004)	\$278,000
General Fund--State Appropriation (FY 2005)	\$284,000
General Fund--Private/Local Appropriation	\$537,000
TOTAL APPROPRIATION	\$1,099,000

NEW SECTION. **Sec. 302. FOR THE DEPARTMENT OF ECOLOGY**

General Fund--State Appropriation (FY 2004)	\$32,550,000
General Fund--State Appropriation (FY 2005)	\$32,351,000
General Fund--Federal Appropriation	\$56,820,000
General Fund--Private/Local Appropriation	\$3,658,000
Special Grass Seed Burning Research Account--State Appropriation	\$14,000
Reclamation Account--State Appropriation	\$2,752,000
Flood Control Assistance Account--State Appropriation . . .	\$2,012,000
State Emergency Water Projects Revolving Account--State Appropriation	\$551,000
Waste Reduction/Recycling/Litter Control--State Appropriation	\$13,656,000
State Drought Preparedness--State Appropriation	\$1,707,000
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation	\$591,000
Site Closure Account--State Appropriation	\$629,000
Water Quality Account--State Appropriation	\$25,163,000
Wood Stove Education and Enforcement Account--State Appropriation	\$356,000
Worker and Community Right-to-Know Account--State Appropriation	\$3,317,000
State Toxics Control Account--State Appropriation	\$58,900,000
State Toxics Control Account--Private/Local Appropriation	\$352,000
Local Toxics Control Account--State Appropriation	\$4,837,000

1	Water Quality Permit Account--State Appropriation	\$24,997,000
2	Underground Storage Tank Account--State Appropriation	\$2,689,000
3	Environmental Excellence Account--State Appropriation	\$504,000
4	Biosolids Permit Account--State Appropriation	\$782,000
5	Hazardous Waste Assistance Account--State Appropriation	\$4,150,000
6	Air Pollution Control Account--State Appropriation	\$1,643,000
7	Oil Spill Prevention Account--State Appropriation	\$7,674,000
8	Air Operating Permit Account--State Appropriation	\$3,667,000
9	Freshwater Aquatic Weeds Account--State Appropriation	\$2,502,000
10	Oil Spill Response Account--State Appropriation	\$7,078,000
11	Metals Mining Account--State Appropriation	\$19,000
12	Water Pollution Control Revolving Account--State	
13	Appropriation	\$379,000
14	Water Pollution Control Revolving Account--Federal	
15	Appropriation	\$1,850,000
16	TOTAL APPROPRIATION	\$298,150,000

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

19 (1) \$2,708,196 of the general fund--state appropriation for fiscal
20 year 2004, \$2,708,196 of the general fund--state appropriation for
21 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
22 \$2,581,000 of the state toxics account--state appropriation, \$217,830
23 of the water quality account--state appropriation, \$322,976 of the
24 state drought preparedness account--state appropriation, \$3,748,220 of
25 the water quality permit account--state appropriation, and \$2,104,942
26 of the oil spill prevention account are provided solely for the
27 implementation of the Puget Sound work plan and agency action items
28 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

29 (2) \$4,059,000 of the state toxics control account appropriation is
30 provided solely for methamphetamine lab clean-up activities.

31 (3) \$170,000 of the oil spill prevention account appropriation is
32 provided solely for implementation of the Puget Sound work plan action
33 item UW-02 through a contract with the University of Washington's sea
34 grant program to develop an educational program targeted to small
35 spills from commercial fishing vessels, ferries, cruise ships, ports,
36 and marinas.

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

4 (5) \$200,000 of the water quality account--state appropriation is
5 provided solely for the department to contract with Washington State
6 University cooperative extension program to provide statewide
7 coordination and support for coordinated resource management.

8 (6) The water quality account--state appropriation is deemed
9 sufficient to implement Substitute Senate Bill No. 5027 (watershed
10 planning).

11 (7) The appropriations in this section are deemed sufficient to
12 implement Substitute Senate Bill No. 5024 (municipal water rights).

13 (8) The department of ecology is authorized to take one of the
14 following actions related to the grant awarded in the 2001-03 biennium
15 to Lincoln county for the Negro Creek flood control project, flood
16 control assistance account program grant G0200049: (a) Carry forward
17 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
18 the time of performance for the grant contract to the end of the 2003-
19 2005 biennium.

20 (9) \$166,000 of the state toxics control account--state
21 appropriation is provided solely to implement Engrossed Substitute
22 House Bill No. 1002 (mercury). If Engrossed Substitute House Bill No.
23 1002 is not enacted by June 30, 2003, the amount provided in this
24 subsection shall lapse.

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

27	General Fund--State Appropriation (FY 2004)	\$30,099,000
28	General Fund--State Appropriation (FY 2005)	\$30,086,000
29	General Fund--Federal Appropriation	\$2,647,000
30	General Fund--Private/Local Appropriation	\$63,000
31	Winter Recreation Program Account--State Appropriation . .	\$1,074,000
32	Off Road Vehicle Account--State Appropriation	\$266,000
33	Snowmobile Account--State Appropriation	\$4,668,000
34	Aquatic Lands Enhancement Account--State Appropriation . . .	\$327,000
35	Public Safety and Education Account--State Appropriation . . .	\$47,000
36	Water Trail Program Account--State Appropriation	\$25,000

1	Parks Renewal and Stewardship Account--State	
2	Appropriation	\$33,261,000
3	TOTAL APPROPRIATION	\$102,563,000

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

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

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

14 (3) \$191,000 of the aquatic lands enhancement account appropriation
15 is provided solely for the implementation of the Puget Sound work plan
16 and agency action item P+RC-02.

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

21 NEW SECTION. **Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR**
22 **RECREATION**

23	General Fund--State Appropriation (FY 2004)	\$1,261,000
24	General Fund--State Appropriation (FY 2005)	\$1,271,000
25	General Fund--Federal Appropriation	\$21,358,000
26	Aquatic Lands Enhancement Account--State Appropriation	\$254,000
27	Water Quality Account--State Appropriation	\$200,000
28	Firearms Range Account--State Appropriation	\$22,000
29	Recreation Resources Account--State Appropriation	\$2,538,000
30	NOVA Program Account--State Appropriation	\$659,000
31	TOTAL APPROPRIATION	\$27,563,000

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

34 (1) \$250,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$250,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to implement priority

1 recommendations developed by the monitoring oversight committee as
2 directed by RCW 77.85.210. Within these funds, activity shall be
3 directed to improve monitoring oversight within watersheds, enhance
4 data coordination and access among recovery partners, and produce a
5 state watershed health report card.

6 (2) \$16,000,000 of the general fund--federal appropriation is
7 provided solely for implementation of the forest and fish agreement
8 rules. These funds will be allocated to the department of natural
9 resources and the department of fish and wildlife.

10 (3) \$41,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$41,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for the operation and maintenance
13 of the natural resources data portal.

14 (4) \$813,000 of the general fund--state appropriation for fiscal
15 year 2004, \$813,000 of the general fund--state appropriation for fiscal
16 year 2005, and \$5,000,000 of the general fund--federal appropriation
17 are provided to the salmon recovery funding board for distribution to
18 lead entities and regional recovery boards. The board shall establish
19 policies to require coordination of funding requests from lead entities
20 and regional recovery boards to ensure that recovery efforts are
21 synchronized. At the discretion of the board, funding shall be
22 concentrated in watersheds within the highest priority salmon recovery
23 regions as defined by the statewide strategy to recover salmon. The
24 board shall also coordinate funding decisions with the northwest power
25 planning council to ensure maximum efficiency and investment return.

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

27	General Fund--State Appropriation (FY 2004)	\$931,000
28	General Fund--State Appropriation (FY 2005)	\$943,000
29	TOTAL APPROPRIATION	\$1,874,000

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

NEW SECTION. Sec. 306. FOR THE CONSERVATION COMMISSION

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

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

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

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

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

General Fund--State Appropriation (FY 2004)	\$41,745,000
General Fund--State Appropriation (FY 2005)	\$40,163,000
General Fund--Federal Appropriation	\$31,507,000
General Fund--Private/Local Appropriation	\$24,190,000
Off Road Vehicle Account--State Appropriation	\$471,000
Aquatic Lands Enhancement Account--State Appropriation	\$5,570,000
Public Safety and Education Account--State Appropriation	\$562,000
Recreational Fisheries Enhancement--State Appropriation	\$3,370,000
Warm Water Game Fish Account--State Appropriation	\$2,533,000
Eastern Washington Pheasant Enhancement Account--State Appropriation	\$750,000
Wildlife Account--State Appropriation	\$56,343,000
Wildlife Account--Federal Appropriation	\$37,990,000
Wildlife Account--Private/Local Appropriation	\$15,110,000
Game Special Wildlife Account--State Appropriation	\$1,936,000
Game Special Wildlife Account--Federal Appropriation	\$9,582,000
Game Special Wildlife Account--Private/Local Appropriation	\$350,000

1	Water Quality Account--State Appropriation	\$4,000
2	Environmental Excellence Account--State Appropriation	\$15,000
3	Regional Fisheries Salmonid Recovery Account--Federal	
4	Appropriation	\$1,750,000
5	Oil Spill Prevention Account--State Appropriation	\$977,000
6	Oyster Reserve Land Account--State Appropriation	\$137,000
7	TOTAL APPROPRIATION	\$275,055,000

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

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

15 (2) \$225,000 of the general fund--state appropriation for fiscal
16 year 2004, \$225,000 of the general fund--state appropriation for fiscal
17 year 2005, and \$550,000 of the wildlife account--state appropriation
18 are provided solely for the implementation of hatchery reform
19 recommendations defined by the hatchery scientific review group.

20 (3) \$850,000 of the wildlife account--state appropriation is
21 provided solely for stewardship and maintenance needs on agency-owned
22 lands and water access sites.

23 (4) \$900,000 of the wildlife fund--state appropriation is provided
24 solely for wetland restoration activities for migratory waterfowl by
25 providing landowner incentives to create or maintain waterfowl habitat
26 and management activities.

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

32 (6) \$2,000,000 of the aquatic lands enhancement account
33 appropriation is provided for cooperative volunteer projects.

34 (7) The department shall support the activities of the aquatic
35 nuisance species coordination committee to foster state, federal,
36 tribal, and private cooperation on aquatic nuisance species issues.

1 The committee shall strive to prevent the introduction of nonnative
2 aquatic species and to minimize the spread of species that are
3 introduced.

4 (8) The department shall develop and implement an activity-based
5 costing system. The system shall be operational no later than January
6 1, 2004.

7 (9) \$400,000 of the wildlife account--state appropriation is
8 provided solely to implement the department's information systems
9 strategic plan to include continued implementation of a personal
10 computer leasing plan, an upgrade of computer back-up systems, systems
11 architecture assessment, and network security analysis.

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

16 (11) \$14,680,000 of the wildlife account--state appropriation is
17 provided solely for the operation of the wildlife program and is
18 contingent upon the department meeting the following conditions: In
19 Okanogan, Ferry, Stevens, and Pend Oreille counties, the department
20 shall not acquire properties with funds provided by the federal
21 government, except in noncontiguous parcels less than five acres in
22 size.

23 (12) \$43,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$42,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for staffing and operation of the
26 Tennant Lake interpretive center.

27 (13) \$67,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$67,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely to implement Second Substitute
30 House Bill No. 1095 (small forest landowners). If the bill is not
31 enacted by June 30, 2003, the amounts provided in this subsection shall
32 lapse.

33 (14) \$110,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$110,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for economic adjustment assistance
36 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

1 (15) \$145,000 of the general fund--state appropriation for fiscal
 2 year 2004 is provided solely to implement Substitute Senate Bill No.
 3 5375 (hydraulic project approval). If Substitute Senate Bill No. 5375
 4 is not enacted by June 30, 2003, the amount provided in this subsection
 5 shall lapse.

6 (16) Within the amounts provided in this section, sufficient
 7 funding is provided to implement Engrossed Second Substitute House Bill
 8 No. 1418 (drainage infrastructure). The department shall enter into an
 9 interagency agreement with the conservation commission for the
 10 development of the Skagit tide gates and estuarine habitat plans. If
 11 the bill is not enacted by June 30, 2003, this subsection shall lapse.

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

13	General Fund--State Appropriation (FY 2004)	\$29,047,000
14	General Fund--State Appropriation (FY 2005)	\$34,621,000
15	General Fund--Federal Appropriation	\$3,809,000
16	General Fund--Private/Local Appropriation	\$2,482,000
17	Forest Development Account--State Appropriation	\$54,115,000
18	Off Road Vehicle Account--State Appropriation	\$3,791,000
19	Surveys and Maps Account--State Appropriation	\$2,730,000
20	Aquatic Lands Enhancement Account--State Appropriation . .	\$6,977,000
21	Resources Management Cost Account--State Appropriation . .	\$73,927,000
22	Surface Mining Reclamation Account--State Appropriation . .	\$2,259,000
23	Water Quality Account--State Appropriation	\$2,431,000
24	Aquatic Land Dredged Material Disposal Site Account--	
25	State Appropriation	\$1,299,000
26	Natural Resources Conservation Areas Stewardship Account--	
27	State Appropriation	\$83,000
28	Air Pollution Control Account--State Appropriation	\$521,000
29	Derelict Vessel Removal Account--State Appropriation . . .	\$1,130,000
30	Disaster Response Account--State Appropriation	\$6,200,000
31	Agricultural College Trust Management Account--State	
32	Appropriation	\$1,847,000
33	TOTAL APPROPRIATION	\$227,269,000

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

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

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

12 (3) \$2,159,500 of the general fund--state appropriation for fiscal
13 year 2004, \$8,359,500 of the general fund--state appropriation for
14 fiscal year 2005, and \$6,200,000 of the disaster response account--
15 state appropriation are provided solely for emergency fire suppression.

16 (4) \$582,000 of the aquatic lands enhancement account appropriation
17 is provided solely for spartina control.

18 (5) Fees approved by the board of natural resources in the 2003-05
19 biennium are authorized to exceed the fiscal growth factor under RCW
20 43.135.055.

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

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

30 (8) \$1,000,000 of the aquatic lands enhancement account--state
31 appropriation is provided solely for the department to meet its
32 obligations with the U.S. environmental protection agency for the
33 clean-up of Commencement Bay.

34 (9) For the 2003-05 fiscal biennium, the department has revised the
35 methodology by which administrative costs of the department are
36 allocated among the state general fund and the various dedicated funds
37 and accounts from which the department receives appropriations. The

1 legislature recognizes that the revised methodology represents a fair
2 and equitable allocation of costs under state law and accounting rules.
3 The legislature further finds that retroactive application of the
4 revised methodology is neither practical nor desirable.

5 (10) \$4,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$4,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely to compensate the forest board
8 trust for a portion of the lease to the Crescent television improvement
9 district consistent with RCW 79.12.055.

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

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

26 (12) \$208,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$70,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely to implement Second Substitute
29 House Bill No. 1095 (small forest landowners). If the bill is not
30 enacted by June 30, 2003, the amounts provided in this subsection shall
31 lapse.

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

33	General Fund--State Appropriation (FY 2004)	\$7,467,000
34	General Fund--State Appropriation (FY 2005)	\$7,259,000
35	General Fund--Federal Appropriation	\$10,017,000
36	General Fund--Private/Local Appropriation	\$1,110,000

1	Aquatic Lands Enhancement Account--State Appropriation . . .	\$1,931,000
2	Water Quality Account--State Appropriation	\$640,000
3	State Toxics Control Account--State Appropriation	\$2,566,000
4	Water Quality Permit Account--State Appropriation	\$110,000
5	TOTAL APPROPRIATION	\$31,100,000

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

8 (1) \$37,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$37,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for implementation of the Puget
11 Sound work plan and agency action item WSDA-01.

12 (2) Fees and assessments approved by the department in the 2003-05
13 biennium are authorized to exceed the fiscal growth factor under RCW
14 43.135.055.

15 (3) The water quality account--state appropriation and the water
16 quality permit account--state appropriation are provided solely to
17 implement the dairy nutrient management program as transferred from the
18 department of ecology by Engrossed Substitute Senate Bill No. 5889
19 (animal feeding operations). If Engrossed Substitute Senate Bill No.
20 5889 is not enacted by June 30, 2003, these appropriations shall be
21 transferred to the department of ecology.

22 (4) \$53,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$15,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely to implement Engrossed Substitute
25 House Bill No. 1754 (chickens). If Engrossed Substitute House Bill No.
26 1754 is not enacted by June 30, 2003, the amounts provided in this
27 subsection shall lapse.

28 NEW SECTION. **Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY**
29 **REINSURANCE PROGRAM**
30 Pollution Liability Insurance Program Trust
31 Account--State Appropriation \$914,000

(End of part)

PART IV
TRANSPORTATION

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

4	General Fund--State Appropriation (FY 2004)	\$5,009,000
5	General Fund--State Appropriation (FY 2005)	\$5,013,000
6	Architects' License Account--State Appropriation	\$695,000
7	Cemetery Account--State Appropriation	\$238,000
8	Professional Engineers' Account--State Appropriation	\$3,036,000
9	Real Estate Commission Account--State Appropriation	\$7,133,000
10	Master License Account--State Appropriation	\$9,125,000
11	Uniform Commercial Code Account--State Appropriation	\$2,987,000
12	Real Estate Education Account--State Appropriation	\$276,000
13	Real Estate Appraiser Commission Account--State	
14	Appropriation	\$927,000
15	Real Estate Research Account--State Appropriation	\$308,000
16	Funeral Directors and Embalmers Account--State	
17	Appropriation	\$521,000
18	Geologists' Account--State Appropriation	\$9,000
19	Data Processing Revolving Account--State Appropriation	\$29,000
20	TOTAL APPROPRIATION	\$35,306,000

21 The appropriations in this section are subject to the following
22 conditions and limitations: In accordance with RCW 43.24.086, it is
23 the policy of the state of Washington that the cost of each
24 professional, occupational, or business licensing program be fully
25 borne by the members of that profession, occupation, or business. For
26 each licensing program covered by RCW 43.24.086, the department shall
27 set fees at levels sufficient to fully cover the cost of administering
28 the licensing program, including any costs associated with policy
29 enhancements funded in the 2003-05 fiscal biennium. Pursuant to RCW
30 43.135.055, during the 2003-05 fiscal biennium, the department may
31 increase fees in excess of the fiscal growth factor if the increases
32 are necessary to fully fund the costs of the licensing programs.

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

2	General Fund--State Appropriation (FY 2004)	\$20,150,000
3	General Fund--State Appropriation (FY 2005)	\$19,000,000
4	General Fund--Federal Appropriation	\$4,260,000
5	General Fund--Private/Local Appropriation	\$380,000
6	Death Investigations Account--State Appropriation	\$4,503,000
7	Public Safety and Education Account--State	
8	Appropriation	\$21,276,000
9	Enhanced 911 Account--State Appropriation	\$612,000
10	County Criminal Justice Assistance Account--State	
11	Appropriation	\$2,771,000
12	Municipal Criminal Justice Assistance Account--State	
13	Appropriation	\$1,151,000
14	Fire Service Trust Account--State Appropriation	\$127,000
15	Fire Service Training Account--State Appropriation	\$7,384,000
16	State Toxics Control Account--State Appropriation	\$438,000
17	Violence Reduction and Drug Enforcement Account--State	
18	Appropriation	\$272,000
19	Fingerprint Identification Account--State Appropriation	\$4,421,000
20	TOTAL APPROPRIATION	\$86,745,000

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

23 (1) \$200,000 of the fire services account-- state appropriation is
24 provided solely for two FTE's in the office of state fire marshal to
25 exclusively review K-12 construction documents for fire and life safety
26 in accordance with the state building code. It is the intent of this
27 appropriation to provide these services only to those districts that
28 are located in counties without qualified review capabilities.

29 (2) \$750,000 of the fire services training account--state
30 appropriation is provided solely for the implementation of Engrossed
31 House Bill No. 1109 (fire fighting training). If the bill is not
32 enacted by June 30, 2003, the amount provided in this subsection shall
33 lapse.

(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)	\$11,874,000
General Fund--State Appropriation (FY 2005)	\$11,863,000
General Fund--Federal Appropriation	\$15,509,000
TOTAL APPROPRIATION	\$39,246,000

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

(a) \$10,915,000 of the general fund--state appropriation for fiscal year 2004 and \$10,912,000 of the general fund--state appropriation for fiscal year 2005 are provided for the operation and expenses of the office of the superintendent of public instruction.

(b) \$407,000 of the general fund--state appropriation for fiscal year 2004 and \$407,000 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) \$395,000 of the general fund--state appropriation for fiscal year 2004 and \$395,000 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) \$157,000 of the general fund--state appropriation for fiscal year 2004 and \$149,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of Substitute Senate Bill No. 5012 (charter schools). If the bill is not enacted before June 30, 2003, the amounts provided in this subsection shall lapse.

(e) The department of social and health services, the office of the superintendent of public instruction, and the department of health should work together to identify opportunities for early intervention and prevention activities that can help prevent disease and reduce oral

1 health issues among children. Disease prevention among infants at the
2 age of one year and among children entering the K-12 education system
3 provide cost-effective ways to avoid higher health spending later in
4 life.

5 (2) STATEWIDE PROGRAMS

6	General Fund--State Appropriation (FY 2004)	\$7,026,000
7	General Fund--State Appropriation (FY 2005)	\$7,391,000
8	General Fund--Federal Appropriation	\$66,405,000
9	TOTAL APPROPRIATION	\$80,823,000

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

13 (a) HEALTH AND SAFETY

14 (i) A maximum of \$89,000 of the general fund--state appropriation
15 for fiscal year 2004 and a maximum of \$89,000 of the general fund--
16 state appropriation for fiscal year 2005 are provided for the school
17 safety center in the office of the superintendent of public instruction
18 subject to the following conditions and limitations.

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

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

1 school safety center advisory committee. The advisory committee shall
2 select a chair.

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

6 (ii) \$400,000 of the general fund--federal appropriation
7 transferred from the department of health is provided for a program
8 that provides grants to school districts for media campaigns promoting
9 sexual abstinence and addressing the importance of delaying sexual
10 activity, pregnancy, and childbearing until individuals are ready to
11 nurture and support their children. Grants to the school districts
12 shall be for projects that are substantially designed and produced by
13 students. The grants shall require a local private sector match, which
14 may include in-kind contribution of technical or other assistance from
15 consultants or firms involved in public relations, advertising,
16 broadcasting, and graphics or video production or other related fields.

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

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

27 (v) A maximum of \$146,000 of the general fund--state appropriation
28 for fiscal year 2004 and a maximum of \$146,000 of the general fund--
29 state appropriation for fiscal year 2005 are provided for a nonviolence
30 and leadership training program provided by the institute for community
31 leadership. The program shall provide the following:

32 (A) Statewide nonviolence leadership coaches training program for
33 certification of educational employees and community members in
34 nonviolence leadership workshops;

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

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

5 (b) TECHNOLOGY

6 (i) A maximum of \$1,939,000 of the general fund--state
7 appropriation for fiscal year 2004 and a maximum of \$1,939,000 of the
8 general fund--state appropriation for fiscal year 2005 are provided for
9 K-20 telecommunications network technical support in the K-12 sector to
10 prevent system failures and avoid interruptions in school utilization
11 of the data processing and video-conferencing capabilities of the
12 network. These funds may be used to purchase engineering and advanced
13 technical support for the network. A maximum of \$650,000 of this
14 amount may be expended for state-level administration and staff
15 training on the K-20 network.

16 (ii) A maximum of \$540,000 of the general fund--state appropriation
17 for fiscal year 2004 and a maximum of \$540,000 of the general fund--
18 state appropriation for fiscal year 2005 are provided for the
19 Washington state leadership assistance for science education reform
20 (LASER) regional partnership coordinated at the Pacific Science Center.

21 (c) GRANTS AND ALLOCATIONS

22 (i) A maximum of \$761,000 of the general fund--state appropriation
23 for fiscal year 2004 and a maximum of \$757,000 of the general fund--
24 state appropriation for fiscal year 2005 are provided for alternative
25 certification routes. Funds may be used for the professional educator
26 standards board to continue existing alternative-route grant programs
27 and create new alternative-route programs in regions of the state with
28 service shortages.

29 (ii) A maximum of \$612,000 of the general fund--state appropriation
30 for fiscal year 2004 and a maximum of \$612,000 of the general fund--
31 state appropriation for fiscal year 2005 are provided for in-service
32 training and educational programs conducted by the Pacific Science
33 Center.

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

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

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

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

14 (vii) \$302,000 of the fiscal year 2004 appropriation and \$671,000
15 of the fiscal year 2005 appropriation are provided solely for the
16 special services pilot projects provided by Second Substitute House
17 Bill No. 2012 (special services pilot program). The office of the
18 superintendent of public instruction shall allocate these funds to the
19 district or districts participating in the pilot program according to
20 the provisions of section 2 subsection (4) of Second Substitute House
21 Bill No. 2012. If Second Substitute House Bill No. 2012 is not enacted
22 by June 30, 2003, these amounts shall lapse.

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

25	General Fund--State Appropriation (FY 2004)	\$3,949,796,000
26	General Fund--State Appropriation (FY 2005)	\$3,966,361,000
27	TOTAL APPROPRIATION	\$7,916,157,000

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

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

33 (2) Allocations for certificated staff salaries for the 2003-04 and
34 2004-05 school years shall be determined using formula-generated staff
35 units calculated pursuant to this subsection. Staff allocations for
36 small school enrollments in (d) through (f) of this subsection shall be

1 reduced for vocational full-time equivalent enrollments. Staff
2 allocations for small school enrollments in grades K-6 shall be the
3 greater of that generated under (a) of this subsection, or under (d)
4 and (e) of this subsection. Certificated staffing allocations shall be
5 as follows:

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

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

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

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

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

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

31 (B) Districts at or above 51.0 certificated instructional staff per
32 one thousand full-time equivalent students in grades K-4 may dedicate
33 up to 1.3 of the 53.2 funding ratio to employ additional classified
34 instructional assistants assigned to basic education classrooms in
35 grades K-4. For purposes of documenting a district's staff ratio under
36 this section, funds used by the district to employ additional
37 classified instructional assistants shall be converted to a

1 certificated staff equivalent and added to the district's actual
2 certificated instructional staff ratio. Additional classified
3 instructional assistants, for the purposes of this subsection, shall be
4 determined using the 1989-90 school year as the base year;

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

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

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

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

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

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

1 (iii) For the 2003-04 and 2004-05 school years, indirect cost
2 charges by a school district to vocational-secondary programs shall not
3 exceed 15 percent of the combined basic education and vocational
4 enhancement allocations of state funds.

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

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

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

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

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

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

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

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

6 (ii) For all other small high schools under this subsection, nine
7 certificated instructional staff units and one-half of a certificated
8 administrative staff unit for the first sixty average annual full time
9 equivalent students, and additional staff units based on a ratio of
10 0.8732 certificated instructional staff units and 0.1268 certificated
11 administrative staff units per each additional forty-three and one-half
12 average annual full time equivalent students.

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

17 (g) For each nonhigh school district having an enrollment of more
18 than seventy annual average full-time equivalent students and less than
19 one hundred eighty students, operating a grades K-8 program or a grades
20 1-8 program, an additional one-half of a certificated instructional
21 staff unit; and

22 (h) For each nonhigh school district having an enrollment of more
23 than fifty annual average full-time equivalent students and less than
24 one hundred eighty students, operating a grades K-6 program or a grades
25 1-6 program, an additional one-half of a certificated instructional
26 staff unit.

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

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

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

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

5 (4) Fringe benefit allocations shall be calculated at a rate of
6 9.31 percent in the 2003-04 school year and 9.31 percent in the 2004-05
7 school year for certificated salary allocations provided under
8 subsection (2) of this section, and a rate of 12.53 percent in the
9 2003-04 school year and 12.53 percent in the 2004-05 school year for
10 classified salary allocations provided under subsection (3) of this
11 section.

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

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

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

23 (6)(a) For nonemployee-related costs associated with each
24 certificated staff unit allocated under subsection (2)(a), (b), and (d)
25 through (h) of this section, there shall be provided a maximum of
26 \$8,785 per certificated staff unit in the 2003-04 school year and a
27 maximum of \$8,952 per certificated staff unit in the 2004-05 school
28 year.

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

34 (c) For nonemployee-related costs associated with each vocational
35 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
36 section, there shall be provided a maximum of \$16,739 per certificated

1 staff unit in the 2003-04 school year and a maximum of \$17,057 per
2 certificated staff unit in the 2004-05 school year.

3 (7) Allocations for substitute costs for classroom teachers shall
4 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
5 2004-05 school years per allocated classroom teacher exclusive of
6 salary increase amounts, if any, provided in section 504 of this act.
7 Solely for the purposes of this subsection, allocated classroom
8 teachers shall be equal to the number of certificated instructional
9 staff units allocated under subsection (2) of this section, multiplied
10 by the ratio between the number of actual basic education certificated
11 teachers and the number of actual basic education certificated
12 instructional staff reported statewide for the prior school year.

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

22 (9) The superintendent may distribute a maximum of \$3,190,000 for
23 fiscal year 2004 and a maximum of \$3,202,000 during fiscal year 2005
24 outside the basic education formula as follows:

25 (a) For fire protection for school districts located in a fire
26 protection district as now or hereafter established pursuant to chapter
27 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
28 and a maximum of \$504,000 may be expended in fiscal year 2005; and

29 (b) A maximum of \$353,000 may be expended for school district
30 emergencies;

31 (c) For summer vocational programs at skills centers, a maximum of
32 \$2,035,000 may be expended each fiscal year; and

33 (d) A maximum of \$485,000 for each fiscal year may be expended for
34 programs providing skills training for secondary students who are
35 enrolled in extended day school-to-work programs, as approved by the
36 superintendent of public instruction. The funds shall be allocated at

1 a rate not to exceed \$500 per full-time equivalent student enrolled in
2 those programs.

3 (10) For purposes of RCW 84.52.0531, the increase per full-time
4 equivalent student is 3.4 percent from the 2002-03 school year to the
5 2003-04 school year and 2.5 percent from the 2003-04 school year to the
6 2004-05 school year.

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

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

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

21 (12) \$159,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$1,181,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for the implementation of
24 Substitute Senate Bill No. 5012 (charter schools). If the bill is not
25 enacted before June 30, 2003, the amounts provided in this subsection
26 shall lapse.

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

33 (a) Salary allocations for certificated instructional staff units
34 shall be determined for each district by multiplying the district's
35 certificated instructional total base salary shown on LEAP Document 12E
36 for the appropriate year, by the district's average staff mix factor

1 for certificated instructional staff in that school year, computed
2 using LEAP Document 1Sa for the 2003-04 school year and LEAP Document
3 1Sb for the 2004-05 school year; and

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

8 (2) For the purposes of this section:

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

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

19 (c) "LEAP Document 12E" means the computerized tabulation of 2003-
20 04 and 2004-05 school year salary allocations for certificated
21 administrative staff and classified staff and derived and total base
22 salaries for certificated instructional staff as developed by the
23 legislative evaluation and accountability program committee on March
24 31, 2003, at 09:06 hours.

25 (3) Incremental fringe benefit factors shall be applied to salary
26 adjustments at a rate of 8.67 percent for school years 2003-04 and
27 2004-05 for certificated staff and 9.03 percent for school years 2003-
28 04 and 2004-05 for classified staff.

29 (4)(a) Pursuant to RCW 28A.150.410, the following statewide salary
30 allocation schedules for certificated instructional staff are
31 established for basic education salary allocations:

32 K-12 Salary Allocation Schedule For Certificated Instructional Staff
33 2003-04 School Year

34	Years of									MA+90
35	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD

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

K-12 Salary Allocation Schedule For Certificated Instructional Staff

2004-05 School Year

20	Years of										MA+90
21	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD	
22											
23	0	30,023	30,834	31,674	32,516	35,218	36,958	35,995	38,697	40,439	
24	1	30,427	31,249	32,100	32,979	35,709	37,440	36,395	39,125	40,855	
25	2	30,812	31,642	32,502	33,449	36,171	37,920	36,798	39,520	41,269	
26	3	31,209	32,047	32,916	33,893	36,610	38,401	37,180	39,895	41,687	
27	4	31,598	32,473	33,347	34,358	37,091	38,895	37,580	40,313	42,118	
28	5	32,000	32,879	33,762	34,829	37,552	39,392	37,987	40,711	42,551	
29	6	32,413	33,273	34,186	35,306	38,016	39,866	38,404	41,114	42,963	
30	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836	
31	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172	
32	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548	
33	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960	
34	11				41,243	44,196	46,344	44,309	47,263	49,410	
35	12				42,545	45,642	47,854	45,707	48,708	50,921	
36	13					47,123	49,401	47,154	50,189	52,467	
37	14					48,611	51,006	48,644	51,775	54,073	

1	15	49,876	52,333	49,908	53,121	55,479
2	16 or More	50,873	53,379	50,906	54,183	56,588

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

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

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

- 13 (5) For the purposes of this section:
 - 14 (a) "BA" means a baccalaureate degree.
 - 15 (b) "MA" means a masters degree.
 - 16 (c) "PHD" means a doctorate degree.
 - 17 (d) "Years of service" shall be calculated under the same rules
18 adopted by the superintendent of public instruction.

- 19 (e) "Credits" means college quarter hour credits and equivalent in-
20 service credits computed in accordance with RCW 28A.415.020 and
21 28A.415.023.

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

- 27 (a) The employee has a masters degree; or
- 28 (b) The credits were used in generating state salary allocations
29 before January 1, 1992.

30 (7) The certificated instructional staff base salary specified for
31 each district in LEAP Document 12E and the salary schedules in
32 subsection (4)(a) of this section include two learning improvement
33 days. A school district is eligible for the learning improvement day
34 funds for school years 2003-04 and 2004-05, only if two learning
35 improvement days have been added to the 180-day contract year. If
36 fewer than two days are added, the additional learning improvement
37 allocation shall be adjusted accordingly. The additional days shall be

1 for activities related to improving student learning consistent with
2 education reform implementation, and shall not be considered part of
3 basic education. The length of a learning improvement day shall not be
4 less than the length of a full day under the base contract. The
5 superintendent of public instruction shall ensure that school districts
6 adhere to the intent and purposes of this subsection.

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

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

12	General Fund--State Appropriation (FY 2004)	\$25,584,000
13	General Fund--State Appropriation (FY 2005)	\$104,057,000
14	General Fund--Federal Appropriation	\$423,000
15	TOTAL APPROPRIATION	\$130,065,000

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

18 (1) \$9,015,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$20,917,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely to provide a salary adjustment for
21 state formula certificated instructional staff units in their first
22 seven years of service. Consistent with the statewide certificated
23 instructional staff salary allocation schedule in section 503 of this
24 act, sufficient funding is provided to increase the salary of
25 certificated instructional staff units in the 2003-04 school year and
26 the 2004-05 school year by the following percentages: Three percent
27 for certificated instructional staff in their first and second years of
28 service; two and one-half percent for certificated instructional staff
29 in their third year of service; one and one-half percent for
30 certificated instructional staff in their fourth year of service; one
31 percent for certificated instructional staff in their fifth year of
32 service; and one-half of a percent for certificated instructional staff
33 in their sixth and seventh years of service. These increases will take
34 effect September 1, 2003 and September 1, 2004.

35 (a) In order to receive funding provided in this subsection, school
36 districts shall certify to the office of superintendent of public

1 instruction that they will provide the percentage increases in the
2 amounts specified in this subsection. In cases where a school district
3 providing the increases in the amounts specified in this subsection
4 would cause that school district to be out of compliance with RCW
5 28A.400.200, they may provide salary increases in different amounts but
6 only to the extent necessary to come into compliance with RCW
7 28A.400.200. Funds provided in this subsection shall be used
8 exclusively for providing the percentage increases specified in this
9 subsection to the certificated staff units in their first seven years
10 of service and shall not be used to supplant any other state or local
11 funding for compensation for these staff.

12 (b) The appropriations include associated incremental fringe
13 benefit allocations at rates of 8.67 percent for school year 2003-04
14 and 8.67 percent for school year 2004-05 for certificated staff.
15 Increases for general apportionment (basic education) are based on the
16 salary allocation schedules and methodology in sections 502 and 503 of
17 this act. Increases for special education result from increases in
18 each district's basic education allocation per student. Increases for
19 educational service districts and institutional education programs are
20 determined by the superintendent of public instruction using the
21 methodology for general apportionment salaries and benefits in sections
22 502 and 503 of this act.

23 (2) \$5,424,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$12,256,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely to provide a salary adjustment for
26 state formula classified staff units of one percent effective September
27 1, 2003, and another salary adjustment of one percent effective on
28 September 1, 2004.

29 (a) In order to receive funding provided in this subsection, school
30 districts shall certify to the office of superintendent of public
31 instruction that they will provide the percentage increases in the
32 amounts specified in this subsection. Funds provided in this
33 subsection shall be used exclusively for providing the percentage
34 increases specified in this subsection to classified staff units and
35 shall not be used to supplant any other state or local funding for
36 compensation for these staff.

1 (b) The appropriations include associated incremental fringe
 2 benefit allocations at rates of 9.03 percent for the 2003-04 school
 3 year and 9.03 percent for the 2004-05 school year for classified staff.
 4 The appropriations in this section include the increased portion of
 5 salaries and incremental fringe benefits for all relevant state-funded
 6 school programs in this part V of this act. Increases for general
 7 apportionment (basic education) are based on the salary allocation
 8 schedules and methodology in sections 502 and 503 of this act.
 9 Increases for special education result from increases in each
 10 district's basic education allocation per student. Increases for
 11 educational service districts and institutional education programs are
 12 determined by the superintendent of public instruction using the
 13 methodology for general apportionment salaries and benefits in sections
 14 502 and 503 of this act.

15 (3) The appropriations in this section provide salary adjustments
 16 and incremental fringe benefit allocations based on formula adjustments
 17 as follows:

	School Year	
	2003-04	2004-05
18 Pupil Transportation (per weighted pupil mile)	\$0.22	\$0.45
19 Highly Capable (per formula student)	\$0.93	\$1.88
20 Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.95
21 Learning Assistance (per entitlement unit)	\$2.23	\$4.50

22 (4) \$83,240,000 is provided for adjustments to insurance benefit
 23 allocations. The maintenance rate for insurance benefit allocations is
 24 \$457.07 per month for the 2003-04 and 2004-05 school years. The
 25 appropriations in this section provide for a rate increase to \$471.12
 26 per month for the 2003-04 school year and \$542.48 per month for the
 27 2004-05 school year at the following rates:

	School Year	
	2003-04	2004-05
28 Pupil Transportation (per weighted pupil mile)	\$0.13	\$0.78
29 Highly Capable (per formula student)	\$0.83	\$5.26
30 Transitional Bilingual Education (per eligible bilingual student)	\$2.27	\$13.83

1 Learning Assistance (per entitlement unit) \$1.79 \$10.87

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

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

6	General Fund--State Appropriation (FY 2004)	\$201,856,000
7	General Fund--State Appropriation (FY 2005)	\$210,555,000
8	TOTAL APPROPRIATION	\$412,411,000

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

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

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

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

26 (4) Allocations for transportation of students shall be based on
27 reimbursement rates of \$39.26 per weighted mile in the 2003-04 school
28 year and \$39.49 per weighted mile in the 2004-05 school year exclusive
29 of salary and benefit adjustments, if any, provided in section 504 of
30 this act. Allocations for transportation of students transported more
31 than one radius mile shall be based on weighted miles as determined by
32 superintendent of public instruction multiplied by the per mile
33 reimbursement rates for the school year pursuant to the formulas
34 adopted by the superintendent of public instruction. Allocations for
35 transportation of students living within one radius mile shall be based

1 on the number of enrolled students in grades kindergarten through five
2 living within one radius mile of their assigned school multiplied by
3 the per mile reimbursement rate for the school year multiplied by 1.29.

4 (5) For school buses ordered on or after July 1, 2003, the office
5 of superintendent of public instruction shall provide reimbursement
6 funding to a school district only after the superintendent of public
7 instruction determines that the school bus was purchased from the list
8 established pursuant to RCW 28A.160.195(2) or a comparable competitive
9 bid process based on the lowest price quote based on similar bus
10 categories to those used to establish the list pursuant to RCW
11 28A.160.195. The competitive specifications shall meet federal motor
12 vehicle safety standards, minimum state specifications as established
13 by rule by the superintendent, and supported options as determined by
14 the superintendent in consultation with the regional transportation
15 coordinators of the educational service districts.

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

18	General Fund--State Appropriation (FY 2004)	\$3,100,000
19	General Fund--State Appropriation (FY 2005)	\$3,100,000
20	General Fund--Federal Appropriation	\$272,069,000
21	TOTAL APPROPRIATION	\$278,269,000

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

24 (1) \$3,000,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$3,000,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided for state matching money for federal
27 child nutrition programs.

28 (2) \$100,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
30 provided for summer food programs for children in low-income areas.

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

33	General Fund--State Appropriation (FY 2004)	\$433,712,000
34	General Fund--State Appropriation (FY 2005)	\$429,085,000
35	General Fund--Federal Appropriation	\$409,762,000

1 TOTAL APPROPRIATION \$1,272,559,000

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

4 (1) Funding for special education programs is provided on an excess
5 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
6 that special education students as a class receive their full share of
7 the general apportionment allocation accruing through sections 502 and
8 504 of this act. To the extent a school district cannot provide an
9 appropriate education for special education students under chapter
10 28A.155 RCW through the general apportionment allocation, it shall
11 provide services through the special education excess cost allocation
12 funded in this section.

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

- 17 (i) Special education students are basic education students first;
- 18 (ii) As a class, special education students are entitled to the
19 full basic education allocation; and
- 20 (iii) Special education students are basic education students for
21 the entire school day.

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

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

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

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

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

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

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

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

16 (a) "Annual average full-time equivalent basic education
17 enrollment" means the resident enrollment including students enrolled
18 through choice (RCW 28A.225.225) and students from nonhigh districts
19 (RCW 28A.225.210) and excluding students residing in another district
20 enrolled as part of an interdistrict cooperative program (RCW
21 28A.225.250).

22 (b) "Enrollment percent" means the district's resident special
23 education annual average enrollment, excluding the birth through age
24 two enrollment, as a percent of the district's annual average full-time
25 equivalent basic education enrollment. For the 2003-04 and the 2004-05
26 school years, each district's general fund--state funded special
27 education enrollment shall be the lesser of the district's actual
28 enrollment percent or 12.7 percent. Increases in enrollment percent
29 from 12.7 percent to 13.0 percent shall be funded from the general
30 fund--federal appropriation.

31 (7) At the request of any interdistrict cooperative of at least 15
32 districts in which all excess cost services for special education
33 students of the districts are provided by the cooperative, the maximum
34 enrollment percent shall be calculated in accordance with subsection
35 (6)(b) of this section, and shall be calculated in the aggregate rather
36 than individual district units. For purposes of this subsection, the

1 average basic education allocation per full-time equivalent student
2 shall be calculated in the aggregate rather than individual district
3 units.

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

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

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

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

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

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

34 (f) The superintendent may expend up to \$120,000 per year of the
35 amount provided from the general fund--federal appropriation in this
36 subsection (8) to provide staff assistance to the committee in
37 analyzing applications for safety net funds received by the committee.

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

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

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

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

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

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

19 (12) \$1,000,000 of the general fund--federal appropriation is
20 provided for projects to provide special education students with
21 appropriate job and independent living skills, including work
22 experience where possible, to facilitate their successful transition
23 out of the public school system. The funds provided by this subsection
24 shall be from federal discretionary grants.

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

31 (14) A maximum of \$1,200,000 of the general fund--federal
32 appropriation may be expended by the superintendent for projects
33 related to use of inclusion strategies by school districts for
34 provision of special education services. The superintendent shall
35 prepare an information database on laws, best practices, examples of
36 programs, and recommended resources. The information may be

1 disseminated in a variety of ways, including workshops and other staff
2 development activities.

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

7 NEW SECTION. **Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC**
8 **INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS**

9	General Fund--State Appropriation (FY 2004)	\$3,032,000
10	General Fund--State Appropriation (FY 2005)	\$3,032,000
11	TOTAL APPROPRIATION	\$6,064,000

12 The appropriations in this section are subject to the following
13 conditions and limitations: The educational service districts shall
14 continue to furnish financial services required by the superintendent
15 of public instruction and RCW 28A.310.190 (3) and (4).

16 NEW SECTION. **Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC**
17 **INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE**

18	General Fund--State Appropriation (FY 2004)	\$162,236,000
19	General Fund--State Appropriation (FY 2005)	\$167,073,000
20	TOTAL APPROPRIATION	\$329,309,000

21 NEW SECTION. **Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC**
22 **INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS**

23	General Fund--State Appropriation (FY 2004)	\$18,563,000
24	General Fund--State Appropriation (FY 2005)	\$19,041,000
25	TOTAL APPROPRIATION	\$37,604,000

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

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

31 (2) State funding provided under this section is based on salaries
32 and other expenditures for a 220-day school year. The superintendent
33 of public instruction shall monitor school district expenditure plans

1 for institutional education programs to ensure that districts plan for
2 a full-time summer program.

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

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

10 (5) \$279,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$286,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely to maintain at least one
13 certificated instructional staff and related support services at an
14 institution whenever the K-12 enrollment is not sufficient to support
15 one full-time equivalent certificated instructional staff to furnish
16 the educational program. The following types of institutions are
17 included: Residential programs under the department of social and
18 health services for developmentally disabled juveniles, programs for
19 juveniles under the department of corrections, and programs for
20 juveniles under the juvenile rehabilitation administration.

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

23 NEW SECTION. **Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC**
24 **INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

25	General Fund--State Appropriation (FY 2004)	\$5,853,000
26	General Fund--State Appropriation (FY 2005)	\$5,706,000
27	TOTAL APPROPRIATION	\$11,559,000

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

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

33 (2) Allocations for school district programs for highly capable
34 students shall be distributed at a maximum rate of \$334.07 per funded
35 student for the 2003-04 school year and \$334.07 per funded student for
36 the 2004-05 school year, exclusive of salary and benefit adjustments,

1 if any, pursuant to section 504 of this act. The number of funded
2 students shall be a maximum of 1.75 percent of each district's full-
3 time equivalent basic education enrollment.

4 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
5 the fiscal year 2005 appropriation are provided for the centrum program
6 at Fort Worden state park.

7 NEW SECTION. **Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC**
8 **INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND**
9 **SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT**

10 General Fund--Federal Appropriation \$46,198,000

11 NEW SECTION. **Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC**
12 **INSTRUCTION--EDUCATION REFORM PROGRAMS**

13 General Fund--State Appropriation (FY 2004) \$36,043,000

14 General Fund--State Appropriation (FY 2005) \$34,522,000

15 General Fund--Federal Appropriation \$128,402,000

16 TOTAL APPROPRIATION \$198,967,000

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

19 (1) \$295,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$295,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the academic achievement and
22 accountability commission.

23 (2) \$15,119,000 of the general fund--state appropriation for fiscal
24 year 2004, \$12,916,000 of the general fund--state appropriation for
25 fiscal year 2005, and \$15,455,000 of the general fund--federal
26 appropriation are provided for development and implementation of the
27 Washington assessments of student learning. Up to \$689,000 of the
28 appropriation may be expended for data analysis and data management of
29 test results.

30 (3) \$274,000 of the fiscal year 2004 general fund--state
31 appropriation and \$274,000 of the fiscal year 2005 general fund--state
32 appropriation are provided solely for training of paraprofessional
33 classroom assistants and certificated staff who work with classroom
34 assistants as provided in RCW 28A.415.310.

1 (4) \$2,348,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$2,348,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for mentor teacher assistance,
4 including state support activities, under RCW 28A.415.250 and
5 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
6 this subsection may be used each fiscal year to operate a mentor
7 academy to help districts provide effective training for peer mentors.
8 Funds for the teacher assistance program shall be allocated to school
9 districts based on the number of first year beginning teachers.

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

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

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

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

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

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

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

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

10 (i) Strong collaboration among the peer mentor, the beginning
11 teacher's principal, and the beginning teacher;

12 (ii) Stipends for peer mentors and, at the option of a district,
13 for beginning teachers. The stipends shall not be deemed compensation
14 for the purposes of salary lid compliance under RCW 28A.400.200 and are
15 not subject to the continuing contract provisions of Title 28A RCW; and

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

20 (5) \$1,959,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,959,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided for improving technology infrastructure,
23 monitoring and reporting on school district technology development,
24 promoting standards for school district technology, promoting statewide
25 coordination and planning for technology development, and providing
26 regional educational technology support centers, including state
27 support activities, under chapter 28A.650 RCW. The superintendent of
28 public instruction shall coordinate a process to facilitate the
29 evaluation and provision of online curriculum courses to school
30 districts which includes the following: Creation of a general listing
31 of the types of available online curriculum courses; a survey conducted
32 by each regional educational technology support center of school
33 districts in its region regarding the types of online curriculum
34 courses desired by school districts; a process to evaluate and
35 recommend to school districts the best online courses in terms of
36 curriculum, student performance, and cost; and assistance to school
37 districts in procuring and providing the courses to students.

1 (6) \$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 (7) \$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 (8) \$1,764,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,764,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the mathematics helping corps
12 subject to the following conditions and limitations:

13 (a) In order to increase the availability and quality of technical
14 mathematics assistance statewide, the superintendent of public
15 instruction shall employ mathematics school improvement specialists to
16 provide assistance to schools and districts. The specialists shall be
17 hired by and work under the direction of a statewide school improvement
18 coordinator. The mathematics improvement specialists shall not be
19 permanent employees of the superintendent of public instruction.

20 (b) The school improvement specialists shall provide the following:

21 (i) Assistance to schools to disaggregate student performance data
22 and develop improvement plans based on those data;

23 (ii) Consultation with schools and districts concerning their
24 performance on the Washington assessment of student learning and other
25 assessments emphasizing the performance on the mathematics assessments;

26 (iii) Consultation concerning curricula that aligns with the
27 essential academic learning requirements emphasizing the academic
28 learning requirements for mathematics, the Washington assessment of
29 student learning, and meets the needs of diverse learners;

30 (iv) Assistance in the identification and implementation of
31 research-based instructional practices in mathematics;

32 (v) Staff training that emphasizes effective instructional
33 strategies and classroom-based assessment for mathematics;

34 (vi) Assistance in developing and implementing family and community
35 involvement programs emphasizing mathematics; and

36 (vii) Other assistance to schools and school districts intended to
37 improve student mathematics learning.

1 (9) \$3,713,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$3,713,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the Washington reading corps
4 subject to the following conditions and limitations:

5 (a) Grants shall be allocated to schools and school districts to
6 implement proven, research-based mentoring and tutoring programs in
7 reading that may include research-based reading skills development
8 software for low-performing students in grades K-6. If the grant is
9 made to a school district, the principals of schools enrolling targeted
10 students shall be consulted concerning design and implementation of the
11 program.

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

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

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

19 (i) The program employs methods of teaching and student learning
20 based on reliable reading/literacy research and effective practices;

21 (ii) The program design is comprehensive and includes instruction,
22 on-going student assessment, professional development,
23 parental/community involvement, and program management aligned with the
24 school's reading curriculum;

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

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

29 (v) It contains an evaluation component to determine the
30 effectiveness of the program; and

31 (vi) The program may include a software-based solution to increase
32 the student/tutor ratio to a minimum of 5:1. The selected software
33 program shall be scientifically research-based.

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

35 (f) Beginning and end-of-program testing data shall be available to
36 determine the effectiveness of funded programs and practices. Common
37 evaluative criteria across programs, such as grade-level improvements

1 shall be available for each reading corps program. The superintendent
2 of public instruction shall provide program evaluations to the governor
3 and the appropriate committees of the legislature. Administrative and
4 evaluation costs may be assessed from the annual appropriation for the
5 program.

6 (g) Grants provided under this section may be used by schools and
7 school districts for expenditures from July 2003 through August 31,
8 2005.

9 (10) \$1,487,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$2,169,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for salary bonuses for teachers
12 who attain certification by the national board for professional
13 teaching standards subject to the following conditions and limitations:

14 (a) Teachers who have attained certification by the national board
15 in the 2000-01 school year, 2001-02 school year, 2002-03 school year,
16 2003-04 school year, or 2004-05 school year shall receive an annual
17 bonus not to exceed \$3,500.

18 (b) The annual bonus shall be paid in a lump sum amount and shall
19 not be included in the definition of "earnable compensation" under RCW
20 41.32.010(10).

21 (c) It is the intent of the legislature that teachers achieving
22 certification by the national board of professional teaching standards
23 will receive no more than four annual bonus payments for attaining
24 certification by the national board.

25 (11) \$70,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$70,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the second grade reading test.
28 The funds shall be expended for assessment training for new second
29 grade teachers and replacement of assessment materials.

30 (12) A maximum of \$220,000 of the general fund--state appropriation
31 for fiscal year 2004 and a maximum of \$220,000 of the general fund--
32 state appropriation for fiscal year 2005 are provided for the
33 superintendent to assist schools in implementing high academic
34 standards, aligning curriculum with these standards, and training
35 teachers to use assessments to improve student learning. Funds may
36 also be used to increase community and parental awareness of education
37 reform.

1 (13) \$126,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$126,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided for the development and posting of web-
4 based instructional tools, assessment data, and other information that
5 assists schools and teachers implementing higher academic standards.

6 (14) \$1,746,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$1,746,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely to the office of the
9 superintendent of public instruction for focused assistance to schools.
10 The office of the superintendent of public instruction shall conduct
11 educational audits of low-performing schools and enter into performance
12 agreements between school districts and the office to implement the
13 recommendations of the audit and the community. Of the amounts
14 provided, \$201,000 of the fiscal year 2004 appropriation and \$201,000
15 of the fiscal year 2005 appropriation are provided to the office of the
16 superintendent of public instruction for the administrative duties
17 arising under this subsection. Each educational audit shall include
18 recommendations for best practices and ways to address identified needs
19 and shall be presented to the community in a public meeting to seek
20 input on ways to implement the audit and its recommendations.

21 (15) \$87,901,000 of the general fund--federal appropriation is
22 provided for preparing, training, and recruiting high quality teachers
23 and principals under Title II of the elementary and secondary education
24 act. To extent allowed under federal rules and regulations, the funds
25 provided in this subsection may also be used for training and
26 professional development activities of paraprofessional classroom
27 assistants and certificated staff who work with classroom assistants.

28 (16) \$25,046,000 of the general fund--federal appropriation is
29 provided for the reading first program under Title I of the elementary
30 and secondary education act.

31 (17) \$3,594,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$3,594,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided for grants to school districts to provide
34 a continuum of care for children and families to help children become
35 ready to learn. Grant proposals from school districts shall contain
36 local plans designed collaboratively with community service providers.
37 If a continuum of care program exists in the area in which the school

1 district is located, the local plan shall provide for coordination with
2 existing programs to the greatest extent possible. Grant funds shall
3 be allocated pursuant to RCW 70.190.040.

4 NEW SECTION. **Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC**
5 **INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

6	General Fund--State Appropriation (FY 2004)	\$49,669,000
7	General Fund--State Appropriation (FY 2005)	\$51,905,000
8	General Fund--Federal Appropriation	\$46,309,000
9	TOTAL APPROPRIATION	\$147,883,000

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

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

15 (2) The superintendent shall distribute a maximum of \$722.91 per
16 eligible bilingual student in the 2003-04 school year and \$722.91 in
17 the 2004-05 school year, exclusive of salary and benefit adjustments,
18 if any, provided in section 504 of this act.

19 (3) The superintendent may withhold up to \$700,000 in school year
20 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
21 eligible pupil rates in subsection (2) of this section accordingly, for
22 the central provision of assessments as provided in RCW 28A.180.090 (1)
23 and (2).

24 (4) \$70,000 of the amounts appropriated in this section is provided
25 solely to develop a system for the tracking of current and former
26 transitional bilingual program students.

27 (5) The general fund--federal appropriation in this section is
28 provided for migrant education under Title I, Part C and English
29 language acquisition and language enhancement grants under Title III of
30 the elementary and secondary education act.

31 NEW SECTION. **Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

33	General Fund--State Appropriation (FY 2004)	\$65,365,000
34	General Fund--State Appropriation (FY 2005)	\$64,027,000
35	General Fund--Federal Appropriation	\$307,178,000

1 TOTAL APPROPRIATION \$436,570,000

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

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

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

9 (b) Funding for school district learning assistance programs shall
10 be allocated at maximum rates of \$431.99 per funded unit for the 2003-
11 04 school year and \$432.87 per funded unit for the 2004-05 school year
12 exclusive of salary and benefit adjustments provided under section 504
13 of this act.

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

19 (d) A school district's general fund--state funded units for the
20 2003-04 and 2004-05 school years shall be the sum of the following:

21 (i) The district's full-time equivalent enrollment in grades K-6,
22 multiplied by the 5-year average 4th grade lowest quartile test results
23 as adjusted for funding purposes in the school years prior to
24 1999-2000, multiplied by 0.82. As the 3rd grade test becomes
25 available, it shall be phased into the 5-year average on a 1-year lag;

26 (ii) The district's full-time equivalent enrollment in grades 7-9,
27 multiplied by the 5-year average 8th grade lowest quartile test results
28 as adjusted for funding purposes in the school years prior to
29 1999-2000, multiplied by 0.82. As the 6th grade test becomes
30 available, it shall be phased into the 5-year average for these grades
31 on a 1-year lag; and

32 (iii) The district's full-time equivalent enrollment in grades
33 10-11 multiplied by the 5-year average 11th grade lowest quartile test
34 results, multiplied by 0.82. As the 9th grade test becomes available,
35 it shall be phased into the 5-year average for these grades on a 1-year
36 lag; and

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

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

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

22 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
23 **INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM**

24	Student Achievement Fund--State Appropriation (FY 2004)	. \$203,123,000
25	Student Achievement Fund--State Appropriation (FY 2005)	. \$243,851,000
26	TOTAL APPROPRIATION	\$446,974,000

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

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

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

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

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

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

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

17 (f) To provide improvements or additions to school building
18 facilities which are directly related to the class size reductions and
19 extended learning opportunities under (a) through (c) of this
20 subsection.

21 (2) Funding for school district student achievement programs shall
22 be allocated at a maximum rate of \$211.67 per FTE student for the 2003-
23 04 school year and \$254.00 per FTE student for the 2004-05 school year.
24 For the purposes of this section and in accordance with RCW 84.52.068,
25 FTE student refers to the annual average full-time equivalent
26 enrollment of the school district in grades kindergarten through twelve
27 for the prior school year.

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

31 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
32 **ADJUSTMENTS.** State general fund appropriations provided to the
33 superintendent of public instruction for state entitlement programs in
34 the public schools in this part V of this act may be expended as needed
35 by the superintendent for adjustments to apportionment for prior fiscal
36 periods. Recoveries of state general fund moneys from school districts

1 and educational service districts for a prior fiscal period shall be
2 made as reductions in apportionment payments for the current fiscal
3 period and shall be shown as prior year adjustments on apportionment
4 reports for the current period. Such recoveries shall not be treated
5 as revenues to the state, but as a reduction in the amount expended
6 against the appropriation for the current fiscal period.

(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) For employees under the jurisdiction of chapter 41.56 RCW pursuant to provisions of RCW 28B.16.015 and 28B.50.874(1), salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(c) Each institution of higher education receiving appropriations under sections 604 through 609 of this act may provide salary increases from other sources to instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any salary increase granted under the authority of this subsection (2)(c) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that general fund--state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(c) or under rights granted to award additional

1 compensation with local, nonstate funds under RCW 41.56.203 or chapter
2 41.76 RCW.

3 (d) The legislature, the office of financial management, and other
4 state agencies need consistent and accurate personnel data from
5 institutions of higher education for policy planning purposes.
6 Institutions of higher education shall report personnel data to the
7 department of personnel for inclusion in the department's data
8 warehouse. Uniform reporting procedures shall be established by the
9 department of personnel for use by the reporting institutions,
10 including provisions for common job classifications and common
11 definitions of full-time equivalent staff. Annual contract amounts,
12 number of contract months, and funding sources shall be consistently
13 reported for employees under contract.

14 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
15 full-time students at the state's colleges and universities for the
16 2003-04 and 2004-05 academic years, other than the summer term, shall
17 be increased or decreased by the governing boards of the state
18 universities, regional universities, The Evergreen State College, and
19 the state board for community and technical colleges. With the
20 exception of resident undergraduates, reductions or increases may be
21 made for all or portions of an institution's programs, campuses,
22 courses, or students. Tuition fees may be increased in excess of the
23 fiscal growth factor.

24 (a) For the 2003-04 academic year the governing boards of the state
25 universities, regional universities, The Evergreen State College, and
26 the state board for community and technical colleges may implement an
27 increase no greater than nine percent over tuition fees charged to
28 full-time resident undergraduate students for the 2002-03 academic
29 year.

30 (b) For the 2004-05 academic year the governing boards of the state
31 universities, regional universities, The Evergreen State College, and
32 the state board for community and technical colleges may implement an
33 increase no greater than nine percent over tuition fees charged to
34 full-time resident undergraduate students for the 2003-04 academic
35 year.

36 (4) For the 2003-05 biennium, the state board for community and

1 technical colleges may increase tuition fees differentially based on
2 student credit hour load at their discretion.

3 (5) For the 2003-05 biennium, the governing boards and the state
4 board may adjust full-time operating fees for factors that may include
5 time of day and day of week, as well as delivery method and campus, to
6 encourage full use of the state's educational facilities and resources.

7 (6) For the duration of the 2003-05 biennium, the legislature
8 hereby lowers the limit on total gross authorized operating fees
9 revenue waived, exempted, or reduced by state institutions of higher
10 education pursuant to RCW 28B.15.910 as follows:

- 11 (a) University of Washington, 18.9 percent
- 12 (b) Washington State University, 18.0 percent
- 13 (c) Eastern Washington University, 9.9 percent
- 14 (d) Central Washington University, 7.2 percent
- 15 (e) Western Washington University, 9.0 percent
- 16 (f) The Evergreen State College, 5.4 percent
- 17 (g) Community colleges as a whole, 33.6 percent.

18 Further, the governing boards and the state board are encouraged to
19 reduce waiver activity in recognition of the need to retain available
20 resources to preserve the educational quality of higher education
21 institutions. State general fund appropriations shall not be provided
22 to replace tuition and fee revenue foregone as a result of waivers
23 granted under authority of RCW 28B.15.915.

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

31 (8) Community colleges may increase services and activities fee
32 charges in excess of the fiscal growth factor up to the maximum level
33 authorized by the state board for community and technical colleges.

34 (9) Each institution receiving appropriations under sections 604
35 through 609 of this act shall submit a biennial plan to achieve
36 measurable and specific improvements each academic year as part of a
37 continuing effort to make meaningful and substantial progress towards

1 the achievement of long-term performance goals. The plans, to be
2 prepared at the direction of the higher education coordinating board,
3 shall be submitted by August 15, 2003. The higher education
4 coordinating board shall set biennial performance targets for each
5 institution and shall review actual achievements annually.
6 Institutions shall track their actual performance on the statewide
7 measures as well as faculty productivity, the goals and targets for
8 which may be unique to each institution. A report on progress towards
9 statewide and institution-specific goals, with recommendations for the
10 ensuing biennium, shall be submitted to the fiscal and higher education
11 committees of the legislature by November 15, 2005.

12 (10) The state board for community and technical colleges shall
13 develop a biennial plan to achieve measurable and specific improvements
14 each academic year as part of a continuing effort to make meaningful
15 and substantial progress to achieve long-term performance goals. The
16 board shall set biennial performance targets for each college or
17 district, where appropriate, and shall review actual achievements
18 annually. Colleges shall track their actual performance on the
19 statewide measures. A report on progress towards the statewide goals,
20 with recommendations for the ensuing biennium, shall be submitted to
21 the fiscal and higher education committees of the legislature by
22 November 15, 2005.

23 (11) The general fund--state appropriations in sections 603 through
24 609 of this act represent reductions in current funding levels. In
25 order to provide each institution of higher education with the
26 capability of effectively managing their unique requirements,
27 flexibility in implementing these reductions is permitted. This will
28 assure the continuation of the highest quality higher education system
29 possible within available resources.

30 NEW SECTION. **Sec. 602.** The appropriations in sections 603 through
31 610 of this act provide state general fund support for full-time
32 equivalent student enrollments at each institution of higher education.
33 It is the intent of the legislature that institutions of higher
34 education should adjust their actual enrollment levels to reflect a
35 sustainable alignment with state funding levels. Listed below are the

1 annual full-time equivalent student enrollments by institutions or
 2 agency as assumed in this act.

	2003-04	2004-05
	Annual	Annual
	Average	Average
6 University of Washington		
7		
8 Main campus	32,427	32,427
9 Bothell branch	1,235	1,235
10 Tacoma branch	1,484	1,484
11		
12 Washington State University		
13		
14 Main campus	17,348	17,364
15 Spokane branch	593	593
16 Tri-Cities branch	616	616
17 Vancouver branch	1,153	1,153
18		
19 Central Washington University	7,604	7,604
20 Eastern Washington University	8,017	8,017
21 The Evergreen State College	3,837	3,837
22 Western Washington University	11,126	11,126
23 State Board for Community and Technical Colleges	126,290	126,290
24 Higher Education Coordinating Board	0	1,050

25 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**
 26 **TECHNICAL COLLEGES**

27 General Fund--State Appropriation (FY 2004)	\$498,496,000
28 General Fund--State Appropriation (FY 2005)	\$495,698,000
29 Administrative Contingency Account--State	
30 Appropriation	\$4,400,000
31 TOTAL APPROPRIATION	\$998,594,000

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

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

4 (2) \$495,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$1,005,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely to increase salaries and related
7 benefits for part-time faculty. The board shall report by January 30
8 of each fiscal year to the office of financial management and
9 legislative fiscal and higher education committees on (a) the
10 distribution of state funds; (b) wage adjustments for part-time
11 faculty; and (c) progress to achieve the long-term performance targets
12 for each district, with respect to use of part-time faculty, pursuant
13 to the faculty mix study conducted under section 603, chapter 309, Laws
14 of 1999.

15 (3) \$1,155,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$2,345,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for faculty salary increments and
18 associated benefits and may be used in combination with salary and
19 benefit savings from faculty turnover to provide salary increments and
20 associated benefits.

21 (4) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$1,000,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided for a program to fund the start-up of new
24 community and technical college programs in rural counties as defined
25 under RCW 43.160.020(12) and in communities impacted by business
26 closures and job reductions. Successful proposals must respond to
27 local economic development strategies and must include a plan to
28 continue programs developed with this funding.

29 (5) \$675,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$675,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for allocation to Clark Community
32 College and Lower Columbia Community College to prepare a total of 168
33 full-time equivalent students for transfer to the engineering and
34 science institute at the Vancouver branch campus of Washington State
35 University. The appropriations in this section are intended to
36 supplement, not supplant, general enrollment allocations by the board
37 to districts named in this subsection.

1 (6) \$640,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$640,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for allocation to twelve college
4 districts identified in (a) through (l) of this subsection to prepare
5 students for transfer to the state technology institute at the Tacoma
6 branch campus of the University of Washington. The appropriations in
7 this section are intended to supplement, not supplant, general
8 enrollment allocations by the board to the districts under (a) through
9 (l) of this subsection:

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

22 (7) \$28,761,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$28,761,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely as special funds for training and
25 related support services, including financial aid, as specified in
26 chapter 226, Laws of 1993 (employment and training for unemployed
27 workers). Funding is provided to support up to 6,200 full-time
28 equivalent students in each fiscal year.

29 (8) \$1,000,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$1,000,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for tuition support for students
32 enrolled in work-based learning programs.

33 (9) \$4,150,000 of the administrative contingency account--state
34 appropriation is provided solely for administration and customized
35 training contracts through the job skills program, which shall be made
36 available broadly and not to the exclusion of private nonprofit
37 baccalaureate degree granting institutions or vocational arts career

1 schools operating in Washington state who partner with a firm,
2 hospital, group, or industry association concerned with commerce,
3 trade, manufacturing, or the provision of services to train current or
4 prospective employees. The state board shall make an annual report to
5 the governor and appropriate policy and fiscal committees of the
6 legislature regarding the implementation of this section listing the
7 scope of grant awards, the distribution of funds by educational sector
8 and region of the state, as well as successful partnerships being
9 supported by these state funds.

10 (10) \$250,000 of the administrative contingency account--state
11 appropriation is provided solely and on a one-time basis to start up a
12 college district consortium organized under the name "alliance for
13 corporate education." Financial operations shall be self-sustaining by
14 no later than June 30, 2005, after which time any amount remaining
15 unexpended from this amount shall lapse.

16 (11) \$2,540,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$2,540,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for 250 full-time equivalent
19 students in high-demand fields and programs where enrollment access is
20 limited and employers are experiencing difficulty finding qualified
21 graduates to fill job openings. In allocating these instructional
22 resources, the state board may apply a portion of the amount provided
23 in this subsection towards the development of new direct transfer
24 agreements. Allocation of FTE enrollments to college districts shall
25 be granted principally to those preparing students for careers in (a)
26 nursing, dentistry, speech pathology, and other health services; (b)
27 teaching; (c) computing and information technology; (d) applied science
28 and engineering; and (e) viticulture and enology. All districts that
29 receive a high-demand enrollment allocation from the state board must
30 evidence work that fosters collaboration and eases the prospect for
31 articulation across educational sectors for students who have or will
32 participate in high-demand fields and programs supported by the state.
33 The state board shall report on implementation of this section by
34 November of each fiscal year to both the governor and the appropriate
35 policy and fiscal committees of the legislature.

36 (12) \$111,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$86,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to support the development of a
2 comprehensive viticulture (grape growing) and enology (wine making)
3 higher education program in Washington state. From these sums, the
4 state board shall allocate:

5 (a) \$75,000 a year to Walla Walla community college for its
6 associate science and associate arts degree programs for the purpose of
7 vineyard and wine-making equipment purchases, student labor,
8 instructional supplies, field work, and travel expenses;

9 (b) \$25,000 on a one-time basis to Wenatchee community college for
10 the purpose of adapting its orchard employee educational program; and

11 (c) \$22,000 on a one-time basis to Yakima Valley community college
12 for the purpose of vineyard and wine-making equipment and supply
13 purchases.

14 The college districts named in this subsection are encouraged to
15 seek a portion of the high-demand student enrollment funding made
16 available on a competitive basis through the state board or the higher
17 education coordinating board to fill-out their respective need for
18 additional instructors and professional staff.

19 (13) \$50,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$50,000 of the general fund--state appropriation for
21 fiscal year 2005 are solely for higher education student child care
22 matching grants under chapter 28B.135 RCW.

23 (14) \$212,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$212,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided for allocation to Olympic college. The
26 college shall contract with accredited baccalaureate institution(s) to
27 bring a program of upper-division courses to Bremerton. The state
28 board for community and technical colleges shall report to the office
29 of financial management and the fiscal and higher education committees
30 of the legislature on the implementation of this subsection by December
31 1st of each fiscal year.

32 **NEW SECTION. Sec. 604. FOR UNIVERSITY OF WASHINGTON**

33	General Fund--State Appropriation (FY 2004)	\$307,932,000
34	General Fund--State Appropriation (FY 2005)	\$299,951,000
35	Death Investigations Account--State Appropriation	\$255,000
36	Accident Account--State Appropriation	\$5,767,000

1 Medical Aid Account--State Appropriation \$5,797,000
2 TOTAL APPROPRIATION \$619,702,000

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 for technology education in the
8 form of an institute located at the University of Washington, Tacoma.
9 The university will continue to provide undergraduate and graduate
10 degree programs that focus and respond to regional technology needs of
11 employers and enrolled students including, but not limited to,
12 computing and software systems. As a condition of these
13 appropriations:

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

20 (b) The university will establish performance measures for
21 recruiting, retaining, and graduating students, including
22 nontraditional students, and report to the governor and legislature by
23 September 2004 as to its progress and future steps.

24 (2) \$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 (3) \$255,000 of the death investigations account appropriation is
29 provided solely for the forensic pathologist fellowship program.

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

34 (5) \$75,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$75,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for the Olympic natural resource
37 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 **NEW SECTION. Sec. 605. FOR WASHINGTON STATE UNIVERSITY**

13	General Fund--State Appropriation (FY 2004)	\$182,712,000
14	General Fund--State Appropriation (FY 2005)	\$180,136,000
15	Washington State University Building Account--State	
16	Appropriation	\$150,000
17	TOTAL APPROPRIATION	\$362,998,000

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

20 (1) \$245,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$734,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely to expand the entering class of
23 veterinary medicine students by 16 full-time equivalent residents each
24 academic year during the 2003-05 biennium.

25 (2) \$657,000 of the general fund--state appropriation for fiscal
26 year 2004, \$180,000 of the general fund--state appropriation for fiscal
27 year 2005, and the entire Washington state university building account
28 appropriation are provided solely to support the development of a
29 comprehensive viticulture (grape growing) and enology (wine making)
30 higher education program in Washington state. In consideration of
31 these appropriations, the legislature intends to provide ongoing
32 support of not less than \$180,000 a year for extension field personnel
33 and services. The balance of the amount provided from the fiscal year
34 2004 appropriation is provided on a one-year basis to enable the
35 university to appoint jointly shared faculty between the Pullman main
36 campus and its branch campus in the TriCities. The legislature expects

1 the university to meet ongoing faculty, staff, and related expenses to
2 support the delivery of baccalaureate degree programs in viticulture
3 and enology by making a successful bid for a portion of high-demand
4 enrollment funding that will be distributed on a competitive basis by
5 the state higher education coordinating board for student instruction
6 during the 2004-05 academic year under section 610(4) of this act.

7 (3) \$675,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$675,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for allocation in full to the
10 branch campus in Vancouver to create and operate a state institute for
11 engineering and science in partnership with Clark and Lower Columbia
12 community colleges and regional industry leaders in southwest
13 Washington. As a condition of this appropriation, the university shall
14 develop and provide to the satisfaction of the office of financial
15 management a business plan for the new institute. The university,
16 together with its two-year college and industry partners, shall provide
17 the governor, legislature, and state higher education coordinating
18 board with an annual summary of its progress to produce more graduates
19 trained in applied science technologies and engineering. Annual
20 reports to inform and advise policymakers of the partners' success,
21 emerging issues, and resource needs if any shall occur by no later than
22 November 15 during the 2003-05 biennium.

23 (4) \$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 (5) \$165,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$166,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for the implementation of the
30 Puget Sound work plan and agency action item WSU-01.

31 (6) \$949,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$1,927,000 of general fund--state appropriation for
33 fiscal year 2005 are provided solely for competitively offered
34 recruitment and retention salary adjustments for instructional and
35 research faculty, exempt professional staff, academic administrators,
36 academic librarians, counselors, teaching and research assistants, as
37 classified by the office of financial management, and all other

1 nonclassified staff, but not including employees under RCW 28B.16.015.
2 Tuition revenues may be expended in addition to those required by this
3 section to further provide recruitment and retention salary
4 adjustments.

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

6	General Fund--State Appropriation (FY 2004)	\$40,718,000
7	General Fund--State Appropriation (FY 2005)	\$39,607,000
8	TOTAL APPROPRIATION	\$80,325,000

9 The appropriations in this section are subject to the following
10 conditions and limitations: \$248,000 of the general fund--state
11 appropriation for fiscal year 2004 and \$503,000 of general fund--state
12 appropriation for fiscal year 2005 are provided solely for
13 competitively offered recruitment and retention salary adjustments for
14 instructional and research faculty, exempt professional staff, academic
15 administrators, academic librarians, counselors, teaching and research
16 assistants, as classified by the office of financial management, and
17 all other nonclassified staff, but not including employees under RCW
18 28B.16.015. Tuition revenues may be expended in addition to those
19 required by this section to further provide recruitment and retention
20 salary adjustments.

21 NEW SECTION. **Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

22	General Fund--State Appropriation (FY 2004)	\$39,784,000
23	General Fund--State Appropriation (FY 2005)	\$39,230,000
24	TOTAL APPROPRIATION	\$79,014,000

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

27 (1) \$1,050,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$1,050,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided to expand university enrollment by 134
30 full-time equivalent undergraduate students.

31 (2) \$206,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$418,000 of general fund--state appropriation for fiscal
33 year 2005 are provided solely for competitively offered recruitment and
34 retention salary adjustments for instructional and research faculty,
35 exempt professional staff, academic administrators, academic

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

6 NEW SECTION. **Sec. 608. FOR THE EVERGREEN STATE COLLEGE**

7	General Fund--State Appropriation (FY 2004)	\$22,573,000
8	General Fund--State Appropriation (FY 2005)	\$21,383,000
9	TOTAL APPROPRIATION	\$43,956,000

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

12 (1) \$124,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$252,000 of general fund--state appropriation for fiscal
14 year 2005 are provided solely for competitively offered recruitment and
15 retention salary adjustments for instructional and research faculty,
16 exempt professional staff, academic administrators, academic
17 librarians, counselors, teaching and research assistants, as classified
18 by the office of financial management, and all other nonclassified
19 staff, but not including employees under RCW 28B.16.015. Tuition
20 revenues may be expended in addition to those required by this section
21 to further provide recruitment and retention salary adjustments.

22 (2) The Washington state institute for public policy shall research
23 the following issues and provide reports to the legislature as
24 directed. The institute board shall prioritize and schedule all
25 studies based on staff capacity.

26 (a) \$75,000 of the general fund--state appropriation for fiscal
27 year 2004 is provided solely for the institute for public policy to
28 examine and report to the legislature by November 15, 2003, on
29 potential enrollment levels, costs, and offsetting savings of
30 alternative approaches for providing prescription drug benefits under
31 a waiver of federal rules for low-income, elderly, and disabled
32 residents who would not otherwise qualify for Medicaid.

33 (b) \$25,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$25,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the institute for public

1 policy to conduct the evaluation outlined in Substitute Senate Bill No.
2 5012 (charter schools).

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

10 (d) \$12,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$12,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for the Washington state institute
13 for public policy to examine the results of the changes in earned
14 release under Engrossed Substitute Senate Bill No. 5990 (changing times
15 and supervision standards for release of offenders). The study shall
16 determine whether the changes in earned release affect the rate of
17 recidivism or the type of offenses committed by persons whose release
18 dates were affected by the changes under the bill. The institute shall
19 report its findings to the governor and appropriate committees of the
20 legislature by no later than December 1, 2008.

21 (e) \$110,000 of the general fund--state appropriation for fiscal
22 year 2004 is provided solely for the Washington state institute for
23 public policy to review research assessing the effectiveness of
24 prevention and early intervention programs concerning children and
25 youth, including but not limited to, programs designed to reduce the
26 at-risk behaviors for children and youth identified in RCW
27 70.190.010(4).

28 Using this research, the institute shall identify specific
29 research-proven programs that produce a positive return on the dollar
30 compared to the costs of the program. The institute shall also develop
31 criteria designed to ensure quality implementation and program fidelity
32 of research-proven programs in the state. The criteria shall include
33 measures for ongoing monitoring and continual improvement of treatment
34 delivery, and shall be feasible for inclusion in a contract for
35 services. The institute shall develop recommendations for potential
36 state legislation that encourages local government investment in
37 research-proven prevention and early intervention programs by

1 reimbursing local governments for a portion of the savings that accrue
2 to the state as the result of local investments in such programs. The
3 institute shall present a preliminary report of its findings to the
4 appropriate committees of the legislature by December 1, 2003, and
5 shall present a final report by March 1, 2004.

6 This study incorporates all studies outlined in Substitute House
7 Bill No. 1824 (treatment for juveniles) and Second Substitute House
8 Bill No. 1841 (family services/intervention).

9 (f) \$100,000 of the general fund--state appropriation for fiscal
10 year 2004 is provided solely for the Washington state institute for
11 public policy to study the relationship between prison overcrowding and
12 construction, and the current state criminal sentencing structure.

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

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

25 (iii) The institute for public policy shall present a preliminary
26 report of its findings to the governor and to the appropriate standing
27 committees of the legislature by December 15, 2003, and shall present
28 a final report regarding its findings and recommendations by March 15,
29 2004.

30 **NEW SECTION. Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**

31	General Fund--State Appropriation (FY 2004)	\$53,342,000
32	General Fund--State Appropriation (FY 2005)	\$51,914,000
33	TOTAL APPROPRIATION	\$105,256,000

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

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

5 (2) \$248,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$503,000 of general fund--state appropriation for fiscal
7 year 2005 are provided solely for competitively offered recruitment and
8 retention salary adjustments for instructional and research faculty,
9 exempt professional staff, academic administrators, academic
10 librarians, counselors, teaching and research assistants, as classified
11 by the office of financial management, and all other nonclassified
12 staff, but not including employees under RCW 28B.16.015. Tuition
13 revenues may be expended in addition to those required by this section
14 to further provide recruitment and retention salary adjustments.

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

17	General Fund--State Appropriation (FY 2004)	\$2,280,000
18	General Fund--State Appropriation (FY 2005)	\$17,189,000
19	General Fund--Federal Appropriation	\$642,000
20	TOTAL APPROPRIATION	\$20,111,000

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

24 (1) \$175,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$175,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely to continue a demonstration
27 project to improve rural access to post-secondary education by matching
28 students up with distance learning technologies and education providers
29 in Jefferson County. The board shall examine the feasibility and
30 provide the governor and legislature with a report by July of 2004,
31 that outlines how the state might proceed to transfer this experience
32 and replicate or test an alternative model in another region of the
33 state.

34 (2) Within the appropriations provided in this section, funds are

1 provided to continue the teacher training pilot pursuant to chapter
2 28B.80 RCW until standing authority for this program expires as
3 scheduled on January 1, 2005.

4 (3) \$85,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$14,995,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely to contract for 1,050 full-time
7 equivalent students in high-demand fields in fiscal year 2005. High-
8 demand fields are programs where enrollment access is limited and
9 employers are experiencing difficulty finding qualified graduates to
10 fill job openings. Of the amounts provided, a reasonable amount may be
11 used for management of the competitive process for awarding high-demand
12 student FTEs.

13 (a) The board will manage a competitive process for awarding high-
14 demand student FTEs. Any two- or four-year post-secondary institution
15 may apply however, in all cases, a public or nonprofit, accredited
16 educational corporation or institution based in Washington shall serve
17 as the grant-recipient of record and participate with the private
18 independent or proprietary school in curriculum planning and its
19 execution. Priority will go to competitive proposals that include
20 cooperative partnerships and articulation agreements.

21 (b) Among coequals, the board shall make it a priority to fund
22 proposals that prepare students for careers in (i) nursing, dentistry,
23 speech pathology, and other health services; (ii) teaching; (iii)
24 computing and information technology; (iv) applied science and
25 engineering; (v) viticulture and enology, but not to the exclusion of
26 compelling proposals that document specific regional student and
27 employer demand in fields not listed in this subsection. Proposals and
28 grant awards will separately identify one-time, nonrecurring costs and
29 ongoing costs.

30 (c) The board will establish a proposal review committee that will
31 include representatives from the board, the office of financial
32 management, out-of-state higher education institutions or associations,
33 western interstate commission on higher education, and economic
34 development and labor market analysts. The board will develop the
35 request for proposals, including the criteria for awarding grants, in
36 consultation with the proposal review committee.

1 (d) Colleges and universities that receive grants shall provide the
2 board and the forecast division of the office of financial management
3 with data specified by the board or the office of financial management
4 that shows the impact of this subsection, particularly the degree of
5 improved access to high-demand programs for students and successful job
6 placements for graduates. During the 2003-05 biennium, the board will
7 prepare an annual report on the impact of this subsection and provide
8 it to the office of financial management and the fiscal and higher
9 education committees of the legislature by November 1 for the prior
10 academic year.

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

13	General Fund--State Appropriation (FY 2004)	\$146,835,000
14	General Fund--State Appropriation (FY 2005)	\$159,172,000
15	General Fund--Federal Appropriation	\$7,534,000
16	TOTAL APPROPRIATION	\$313,541,000

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

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

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

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

34 (4) \$25,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$25,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for the benefit of students who

1 participate in college assistance migrant programs (CAMP) operating in
2 Washington state. To ensure timely state aid, the board may establish
3 a date after which no additional grants would be available for the
4 2003-04 and 2004-05 academic years. The board shall disperse grants in
5 equal amounts to eligible post-secondary institutions so that state
6 money in all cases supplements federal CAMP awards.

7 (5) \$113,212,000 of the general fund--state appropriation for
8 fiscal year 2004 and \$125,193,000 of the general fund--state
9 appropriation for fiscal year 2005 are provided solely for the state
10 need grant program. After April 1 of each fiscal year, up to one
11 percent of the annual appropriation for the state need grant program
12 may be transferred to the state work study program.

13 (6) \$17,048,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$17,048,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for the state work study program.
16 After April 1 of each fiscal year, up to one percent of the annual
17 appropriation for the state work study program may be transferred to
18 the state need grant program. In addition to the administrative
19 allowance in subsection (12) of this section, four percent of the
20 general fund--state amount in this subsection may be expended for state
21 work study program administration.

22 (7) \$2,867,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$2,867,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for educational opportunity
25 grants. The board may deposit sufficient funds from its appropriation
26 into the state education trust fund as established in RCW 28B.10.821 to
27 provide a one-year renewal of the grant for each new recipient of the
28 educational opportunity grant award. Unless otherwise provided by the
29 enactment of Engrossed Senate Bill No. 5676 or Substitute House Bill
30 No. 1731 by June 30, 2003, and for the purpose of establishing
31 eligibility for the educational opportunity grant program for
32 placebound students under RCW 28B.101.020, Thurston county lies within
33 the branch campus service area of the Tacoma branch campus of the
34 University of Washington.

35 (8) \$1,957,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$2,231,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely to implement the Washington

1 scholars program. Any Washington scholars program moneys not awarded
2 by April 1st of each year may be transferred by the board to the
3 Washington award for vocational excellence.

4 (9) \$808,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$875,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely to implement Washington award for
7 vocational excellence program. Any Washington award for vocational
8 program moneys not awarded by April 1st of each year may be transferred
9 by the board to the Washington scholars program.

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

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

25 (12) \$2,649,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$2,649,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for financial aid administration,
28 in addition to the four percent cost allowance provision for state work
29 study under subsection (6) of this section. These funds are provided
30 to administer all the financial aid and grant programs assigned to the
31 board by the legislature and administered by the agency. To the extent
32 the executive director finds the agency will not require the full sum
33 provided in this subsection, a portion may be transferred to supplement
34 financial grants-in-aid to eligible clients after notifying the board
35 and the office of financial management of the intended transfer.

36 (13) \$539,000 of the general fund--state appropriation for fiscal

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

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

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

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

20 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**
21 **AND TECHNOLOGY INSTITUTE**

22	General Fund--State Appropriation (FY 2004)	\$1,404,000
23	General Fund--State Appropriation (FY 2005)	\$1,415,000
24	TOTAL APPROPRIATION	\$2,819,000

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

26	General Fund--State Appropriation (FY 2004)	\$1,718,000
27	General Fund--State Appropriation (FY 2005)	\$1,725,000
28	General Fund--Federal Appropriation	\$1,026,000
29	TOTAL APPROPRIATION	\$4,469,000

30 NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE HISTORICAL**
31 **SOCIETY**

32	General Fund--State Appropriation (FY 2004)	\$2,462,000
33	General Fund--State Appropriation (FY 2005)	\$2,529,000

1 TOTAL APPROPRIATION \$4,991,000

2 NEW SECTION. Sec. 616. FOR THE EASTERN WASHINGTON STATE
3 HISTORICAL SOCIETY

4 General Fund--State Appropriation (FY 2004) \$1,459,000
5 General Fund--State Appropriation (FY 2005) \$1,490,000
6 TOTAL APPROPRIATION \$2,949,000

7 NEW SECTION. Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND

8 General Fund--State Appropriation (FY 2004) \$4,591,000
9 General Fund--State Appropriation (FY 2005) \$4,602,000
10 General Fund--Private/Local Appropriation \$1,335,000
11 TOTAL APPROPRIATION \$10,528,000

12 NEW SECTION. Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF

13 General Fund--State Appropriation (FY 2004) \$7,536,000
14 General Fund--State Appropriation (FY 2005) \$7,496,000
15 General Fund--Private/Local Appropriation \$232,000
16 TOTAL APPROPRIATION \$15,264,000

(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)	\$569,812,000
General Fund--State Appropriation (FY 2005)	\$627,938,000
State Building Construction Account--State Appropriation	\$7,014,000
Debt-Limit General Fund Bond Retirement Account--State Appropriation	\$10,500,000
State Taxable Building Construction Account--State Appropriation	\$322,000
Debt-Limit Reimbursable Bond Retirement Account--State Appropriation	\$2,587,000
TOTAL APPROPRIATION	\$1,218,173,000

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. The appropriation for fiscal year 2005 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2005.

NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account--State Appropriation	\$29,014,000
Accident Account--State Appropriation	\$5,113,000
Medical Aid Account--State Appropriation	\$5,113,000
TOTAL APPROPRIATION	\$39,240,000

NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2004)	\$26,394,000
General Fund--State Appropriation (FY 2005)	\$24,805,000
Higher Education Construction Account--State	
Appropriation	\$238,000
State Vehicle Parking Account--State Appropriation	\$102,000
Capital Historic District Construction Account--State	
Appropriation	\$299,000
Nondebt-Limit Reimbursable Bond Retirement Account--	
State Appropriation	\$128,375,000
TOTAL APPROPRIATION	\$180,213,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the nondebt-limit general fund bond retirement account.

NEW SECTION. Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2004)	\$526,000
General Fund--State Appropriation (FY 2005)	\$526,000
Higher Education Construction Account--State	
Appropriation	\$35,000
State Vehicle Parking Account--State Appropriation	\$17,000
State Building Construction Account--State	
Appropriation	\$2,032,000
Capital Historic District Construction Account--State	
Appropriation	\$45,000
State Taxable Building Construction Account--State	
Appropriation	\$50,000
TOTAL APPROPRIATION	\$3,231,000

NEW SECTION. Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND

General Fund--State Appropriation (FY 2004)	\$850,000
General Fund--State Appropriation (FY 2005)	\$850,000

1 TOTAL APPROPRIATION \$1,700,000

2 The appropriations in this section are subject to the following
3 conditions and limitations: The appropriations in this section are for
4 the governor's emergency fund for the critically necessary work of any
5 agency.

6 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
7 **FIRE CONTINGENCY POOL.** The sum of \$4,000,000 is appropriated from the
8 disaster response account for the purpose of making allocations to the
9 military department for fire mobilizations costs or to the department
10 of natural resources for fire suppression costs.

11 NEW SECTION. **Sec. 707. AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT,**
12 **AND PERSONAL SERVICE CONTRACTS.** The office of financial management
13 shall reduce allotments for all agencies for personal service
14 contracts, equipment, and travel by \$19,063,000 from 2003-05 biennial
15 general fund appropriations in this act to reflect the elimination of
16 expenditures identified in LEAP document 35, a computerized tabulation
17 developed by the legislative evaluation and accountability program
18 committee on April 22, 2003. The general fund allotment reduction
19 shall be placed in unallotted status and remain unexpended.

20 NEW SECTION. **Sec. 708. AGENCY EXPENDITURES FOR LEGISLATIVE**
21 **LIAISONS.** During the 2003-05 fiscal biennium, no state agency or
22 institution may expend any moneys appropriated in this act to employ
23 legislative liaisons or contract for legislative liaisons. However,
24 each independently elected statewide official may employ one FTE
25 legislative liaison during the 2003-05 fiscal biennium. The office of
26 financial management shall reduce allotments for agencies by \$3,257,000
27 from 2003-05 biennial general fund appropriations in this act to
28 reflect the elimination of the expenditures identified in LEAP document
29 34, a computerized tabulation developed by the legislative evaluation
30 and accountability program committee on April 3, 2003. The general
31 fund allotment reduction shall be placed in unallotted status and
32 remain unexpended.

33 State funds provided in Part V of this act may not be expended by

1 or for any organization, association, or other entity attempting to
2 influence the passage or defeat of any legislation by the legislature
3 of the state of Washington.

4 NEW SECTION. **Sec. 709. AGENCY EXPENDITURES FOR TORT LIABILITY.**

5 The office of financial management shall reduce allotments for all
6 agencies by \$18,000,000 from 2003-05 biennial general fund
7 appropriations in this act to reflect the reduction in state tort
8 liability under Senate Bill No. 5728 or 5999. The general fund
9 allotment reduction shall be placed in unallotted status and remain
10 unexpended.

11 NEW SECTION. **Sec. 710. SUNDRY CLAIMS.** The following sums, or

12 so much thereof as may be necessary, are appropriated from the general
13 fund, unless otherwise indicated, for relief of various individuals,
14 firms, and corporations for sundry claims. These appropriations are to
15 be disbursed on vouchers approved by the director of financial
16 management, except as otherwise provided, as follows:

17 (1) Reimbursement of criminal defendants acquitted on the basis of
18 self-defense, pursuant to RCW 9A.16.110:

19 (a) Kelly C. Schwartz, claim number SCJ 03-10 \$18,250

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

22 (a) Circle S Landscape Supplies, claim number SCG 03-05 . . . \$49,379

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

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

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

26 (3) Reimbursement of legal costs, Building Industry Association of
27 Washington, claim number SCO 03-26 \$45,912

28 NEW SECTION. **Sec. 711. BELATED CLAIMS.** The agencies and

29 institutions of the state may expend moneys appropriated in this act,
30 upon approval of the office of financial management, for the payment of
31 supplies and services furnished to the agency or institution in prior
32 fiscal biennia.

33 NEW SECTION. **Sec. 712. COMPENSATION--INSURANCE BENEFITS.**

1	General Fund--State Appropriation (FY 2004)	\$4,606,000
2	General Fund--State Appropriation (FY 2005)	\$29,546,000
3	General Fund--Federal Appropriation	\$7,012,000
4	General Fund--Private/Local Appropriation	\$773,000
5	Salary and Insurance Increase Revolving Account	
6	Appropriation	\$22,174,000
7	TOTAL APPROPRIATION	\$64,111,000

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

10 (1)(a) The monthly employer funding rate for insurance benefit
11 premiums, public employees' benefits board administration, and the
12 uniform medical plan, shall not exceed \$495.30 per eligible employee
13 for fiscal year 2004, and \$567.67 for fiscal year 2005.

14 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
15 employee shall be included in the employer funding rate for fiscal year
16 2004, and \$2.11 per eligible employee shall be included in the employer
17 funding rate for fiscal year 2005, solely to increase life insurance
18 coverage in accordance with a court approved settlement in *Burbage et*
19 *al. v. State of Washington* (Thurston county superior court cause no.
20 94-2-02560-8).

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

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

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

1 (3) The health care authority, subject to the approval of the
2 public employees' benefits board, shall provide subsidies for health
3 benefit premiums to eligible retired or disabled public employees and
4 school district employees who are eligible for parts A and B of
5 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
6 December 31, 2004, the subsidy shall be \$102.03. Starting January 1,
7 2005, the subsidy shall be \$115.49 per month.

8 (4) Technical colleges, school districts, and educational service
9 districts shall remit to the health care authority for deposit into the
10 public employees' and retirees' insurance account established in RCW
11 41.05.120 the following amounts:

12 (a) For each full-time employee, \$42.75 per month beginning
13 September 1, 2003, and \$48.92 beginning September 1, 2004;

14 (b) For each part-time employee who, at the time of the remittance,
15 is employed in an eligible position as defined in RCW 41.32.010 or
16 41.40.010 and is eligible for employer fringe benefit contributions for
17 basic benefits, \$42.75 each month beginning September 1, 2003, and
18 \$48.92 beginning September 1, 2004, prorated by the proportion of
19 employer fringe benefit contributions for a full-time employee that the
20 part-time employee receives.

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

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

30 **NEW SECTION. Sec. 713. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**
31 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in this
32 section are subject to the following conditions and limitations: The
33 appropriations for the law enforcement officers' and firefighters'
34 retirement system shall be made on a monthly basis consistent with
35 chapter 41.45 RCW, and the appropriations for the judges and judicial

1 retirement systems shall be made on a quarterly basis consistent with
2 chapters 2.10 and 2.12 RCW.

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

5 General Fund--State Appropriation (FY 2004) \$21,171,000
6 General Fund--State Appropriation (FY 2005) \$20,829,000

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

9 General Fund--State Appropriation (FY 2004) \$6,000,000
10 General Fund--State Appropriation (FY 2005) \$6,000,000

11 (3) There is appropriated for contributions to the judges
12 retirement system:

13 General Fund--State Appropriation (FY 2004) \$500,000
14 General Fund--State Appropriation (FY 2005) \$500,000
15 TOTAL APPROPRIATION \$55,000,000

16 NEW SECTION. **Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
17 **CONTRIBUTIONS TO RETIREMENT SYSTEMS**

18 General Fund--State Appropriation (FY 2004) \$674,000
19 General Fund--State Appropriation (FY 2005) \$683,000
20 Judicial Information Systems Account--State
21 Appropriation \$57,000
22 Department of Retirement Systems Expense Account--
23 State Appropriation \$14,000
24 Public Safety and Education Account--State
25 Appropriation \$199,000
26 TOTAL APPROPRIATION \$1,627,000

27 The appropriations in this section are provided solely to fund
28 pension contributions to the public employees' retirement system and
29 teachers' retirement systems for judicial and legislative employees,
30 effective July 1, 2003.

31 NEW SECTION. **Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
32 **PENSION CONTRIBUTION ADJUSTMENTS**

33 General Fund--State Appropriation (FY 2004) (\$10,524,000)
34 General Fund--State Appropriation (FY 2005) (\$10,618,000)

1 Projected Unit Credit Offset Account Appropriation . . . (\$13,695,000)
2 TOTAL APPROPRIATION (\$34,837,000)

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

5 (1) The appropriations in this section are provided solely to make
6 adjustments to agency appropriations to reflect savings resulting from
7 the adoption of the projected unit credit actuarial funding method for
8 plans 2 and 3 of the public employees', teachers', and school
9 employees' retirement systems as provided in Senate Bill No. 6029
10 (funding PERS, TERS, and SERS). If the bill is not enacted by June 30,
11 2003, the amount provided in this section shall lapse.

12 (2) To facilitate the transfer of moneys from dedicated funds and
13 accounts, the state treasurer is directed to transfer sufficient moneys
14 from each dedicated fund or account to the projected unit credit offset
15 account, hereby created in the state treasury, in accordance with
16 schedules provided by the office of financial management.

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

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

22 The appropriation in this section is subject to the following
23 conditions and limitations: The appropriation in this section is for
24 appropriation to the education technology revolving account for the
25 purpose of covering operational and transport costs incurred by the K-
26 20 educational network program in providing telecommunication services
27 to network participants.

28 NEW SECTION. **Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
29 **REVOLVING FUND ADJUSTMENTS**

30 General Fund--State Appropriation (FY 2004) \$3,350,000
31 General Fund--State Appropriation (FY 2005) \$3,350,000
32 Revolving Fund Revolving Account Appropriation \$2,792,000
33 TOTAL APPROPRIATION \$9,492,000

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 revolving fund assessments for internal services
5 to reflect policy changes made to the governor's proposed omnibus
6 appropriations act. Policy changes include increased appropriations
7 for legal and archival services (\$1,400,000 each), the restoration of
8 the office of minority and women's business enterprises (\$2,400,000),
9 and the cancellation of the governor's proposed merger of the
10 department of personnel and the department of retirement systems
11 (\$5,300,000).

12 (2) To facilitate the transfer of moneys from dedicated funds and
13 accounts, the state treasurer is directed to transfer sufficient moneys
14 from each dedicated fund or account to the revolving fund revolving
15 account, hereby created in the state treasury, in accordance with
16 schedules provided by the office of financial management.

17 NEW SECTION. **Sec. 718. INCENTIVE SAVINGS--FY 2004.** The sum of
18 one hundred million dollars or so much thereof as may be available on
19 June 30, 2004, from the total amount of unspent fiscal year 2004 state
20 general fund appropriations is appropriated for the purposes of RCW
21 43.79.460 in the manner provided in this section.

22 (1) Of the total appropriated amount, one-half of that portion that
23 is attributable to incentive savings, not to exceed twenty-five million
24 dollars, is appropriated to the savings incentive account for the
25 purpose of improving the quality, efficiency, and effectiveness of
26 agency services, and credited to the agency that generated the savings.

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

29 NEW SECTION. **Sec. 719. INCENTIVE SAVINGS--FY 2005.** The sum of
30 one hundred million dollars or so much thereof as may be available on
31 June 30, 2005, from the total amount of unspent fiscal year 2005 state
32 general fund appropriations is appropriated for the purposes of RCW
33 43.79.460 in the manner provided in this section.

34 (1) Of the total appropriated amount, one-half of that portion that
35 is attributable to incentive savings, not to exceed twenty-five million

1 dollars, is appropriated to the savings incentive account for the
2 purpose of improving the quality, efficiency, and effectiveness of
3 agency services, and credited to the agency that generated the savings.

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

6 NEW SECTION. **Sec. 720. FOR THE DEPARTMENT OF HEALTH--COUNTY**
7 **PUBLIC HEALTH ASSISTANCE**

8 Health Services Account--State Appropriation \$48,000,000

9 The appropriation in this section is subject to the following
10 conditions and limitations: The director of the department of health
11 shall distribute the appropriation as follows: \$48,000,000 is provided
12 to the department of health to support protection and improvement of
13 the public's health and to increase the efficiency and effectiveness of
14 the public health system. Funds will be provided to local public
15 health departments and districts through performance-based contracts to
16 help attain the standards for public health and to implement the
17 recommendations of the public health improvement plan. A monitoring
18 and reporting mechanism will be established to demonstrate progress
19 toward these goals.

20 NEW SECTION. **Sec. 721. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
21 **AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE**

22 General Fund--State Appropriation (FY 2004) \$1,500,000
23 General Fund--State Appropriation (FY 2005) \$1,500,000
24 TOTAL APPROPRIATION \$3,000,000

25 The appropriations in this section are subject to the following
26 conditions and limitations: The director of community, trade, and
27 economic development shall distribute the appropriations in this
28 section to the following counties in the amounts designated:

		2004	2005
29			
30	Garfield	\$290,000	\$290,000
31	Columbia	\$200,500	\$200,500
32	Wahkiakum	\$129,500	\$129,500
33	Ferry	\$99,500	\$99,500

1	Okanogan	\$140,000	\$140,000
2	Asotin	\$108,500	\$108,500
3	Stevens	\$209,000	\$209,000
4	Douglas	\$132,000	\$132,000
5	Lincoln	\$75,500	\$75,500
6	Pend Oreille	\$71,500	\$71,500
7	Skamania	\$44,000	\$44,000
8	TOTAL	\$1,500,000	\$1,500,000

9 NEW SECTION. **Sec. 722. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
10 **AND ECONOMIC DEVELOPMENT--MUNICIPAL ASSISTANCE**

11 General Fund--State Appropriation (FY 2004) \$3,500,000

12 The appropriation in this section is subject to the following
13 conditions and limitations: The director of community, trade, and
14 economic development shall distribute the appropriation in this section
15 to the following cities in the amounts designated:

	<u>2004</u>
16	
17	Airway Heights \$5,000
18	Albion \$24,000
19	Almira \$1,000
20	Asotin \$10,000
21	Benton City \$15,000
22	Black Diamond \$18,000
23	Bridgeport \$68,000
24	Brier \$129,000
25	Bucoda \$15,000
26	Carbonado \$15,000
27	Cashmere \$13,000
28	Cheney \$19,000
29	Chewelah \$1,000
30	Colfax \$1,000
31	College Place \$138,000
32	Colton \$5,000
33	Conconully \$4,000
34	Concrete \$1,000

1	Connell	\$27,000
2	Coulee Dam	\$6,000
3	Covington	\$117,000
4	Creston	\$2,000
5	Cusick	\$750
6	Darrington	\$6,000
7	Davenport	\$4,000
8	Dayton	\$1,000
9	Des Moines	\$161,000
10	Edgewood	\$272,000
11	Electric City	\$27,000
12	Elma	\$2,000
13	Elmer City	\$11,000
14	Endicott	\$10,000
15	Entiat	\$10,000
16	Everson	\$5,000
17	Fairfield	\$1,000
18	Farmington	\$3,000
19	Fircrest	\$50,000
20	Forks	\$5,000
21	Garfield	\$12,000
22	George	\$2,000
23	Gold Bar	\$29,000
24	Grandview	\$15,000
25	Granger	\$28,000
26	Hamilton	\$4,000
27	Harrah	\$16,000
28	Harrington	\$1,000
29	Hartline	\$3,000
30	Hatton	\$4,000
31	Hoquiam	\$19,000
32	Index	\$500
33	Ione	\$2,000
34	Kahlotus	\$6,000
35	Kenmore	\$132,000
36	Kettle Falls	\$4,000
37	Kittitas	\$17,000

1	Krupp	\$1,000
2	Lacrosse	\$3,000
3	Lake Forest Park	\$136,000
4	Lake Stevens	\$5,000
5	Lakewood	\$350,000
6	Lamont	\$2,000
7	Latah	\$3,000
8	Lyman	\$3,000
9	Mabton	\$51,000
10	Malden	\$8,000
11	Mansfield	\$8,000
12	Maple Valley	\$17,000
13	Marcus	\$3,000
14	Mattawa	\$17,000
15	McCleary	\$15,000
16	Medical Lake	\$10,000
17	Mesa	\$2,000
18	Metaline	\$2,000
19	Metaline Falls	\$1,000
20	Mossyrock	\$1,000
21	Mountlake Terrace	\$32,000
22	Moxee	\$2,000
23	Napavine	\$19,000
24	Nespelem	\$6,000
25	Newcastle	\$2,000
26	Nooksack	\$13,000
27	Normandy Park	\$82,000
28	North Bonneville	\$2,000
29	Northport	\$7,000
30	Oakesdale	\$3,000
31	Oakville	\$7,000
32	Orting	\$12,000
33	Palouse	\$7,000
34	Pateros	\$1,000
35	Pe Ell	\$20,000
36	Pomeroy	\$3,000
37	Prescott	\$1,000

1	Pullman	\$21,000
2	Rainier	\$27,000
3	Raymond	\$750
4	Reardan	\$8,000
5	Republic	\$1,000
6	Riverside	\$7,000
7	Rock Island	\$6,000
8	Rockford	\$2,000
9	Rosalia	\$6,000
10	Roslyn	\$11,000
11	Royal City	\$12,000
12	Ruston	\$8,000
13	Sammamish	\$320,000
14	Shoreline	\$65,000
15	Soap Lake	\$19,000
16	South Bend	\$5,000
17	South Cle Elum	\$11,000
18	South Prairie	\$2,000
19	Sprague	\$1,000
20	Springdale	\$1,000
21	Starbuck	\$3,000
22	Steilacoom	\$19,000
23	Tekoa	\$5,000
24	Tenino	\$7,000
25	Tieton	\$12,000
26	Toppenish	\$63,000
27	Uniontown	\$3,000
28	University Place	\$306,000
29	Vader	\$12,000
30	Waitsburg	\$15,000
31	Wapato	\$35,000
32	Warden	\$10,000
33	Washtucna	\$7,000
34	Waterville	\$13,000
35	Waverly	\$3,000
36	West Richland	\$84,000
37	White Salmon	\$1,000

1	Wilbur	\$1,000
2	Wilkeson	\$1,000
3	Wilson Creek	\$3,000
4	Yacolt	\$4,000
5	Zillah	\$5,000
6	TOTAL	\$3,500,000

7 NEW SECTION. **Sec. 723.** (1) The director of revenue shall on the
8 25th of August, November, February, and May of fiscal years 2004 and
9 2005 advise the state treasurer of the difference in the amount of
10 business and occupation tax credits that were forecast July 1, 2003, to
11 be taken during the preceding calendar quarter ending on the last day
12 of June, September, December, and March, respectively, over the amount
13 of business and occupation tax credits actually taken in that previous
14 quarter.

15 (2) On the last day of September, December, March, and June of
16 fiscal years 2004 and 2005, an amount equal to the amount certified by
17 the department of revenue is appropriated from the general fund to the
18 investing in innovation account established by section 3, chapter ...
19 (2SHB 1003), Laws of 2003.

20 (3) As used in this section, "business and occupation tax credits"
21 means the business and occupation tax credits for job creation in rural
22 counties under chapter 82.62 RCW, international services job creation
23 under RCW 82.04.44525, job training in rural counties under RCW
24 82.04.4333, computer software job creation in rural counties under RCW
25 82.04.4456, information technology help desk services in rural counties
26 under RCW 82.04.4457, and high technology research and development
27 under RCW 82.04.4452.

(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 of appropriation and Amount. Includes items like 'General Fund Appropriation for fire insurance premium distributions' and 'TOTAL APPROPRIATION'.

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Table with 2 columns: Description of appropriation and Amount. Includes 'Impaired Driving Safety Account Appropriation'.

1 The appropriation in this section is subject to the following
2 conditions and limitations: The amount appropriated in this section
3 shall be distributed quarterly during the 2003-2005 biennium to all
4 cities ratably based on population as last determined by the office of
5 financial management. The distributions to any city that substantially
6 decriminalizes or repeals its criminal code after July 1, 1990, and
7 that does not reimburse the county for costs associated with criminal
8 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
9 which the city is located. This funding is provided to cities for the
10 costs of implementing criminal justice legislation including, but not
11 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
12 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
13 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
14 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
15 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
16 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
17 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
18 Laws of 1998 (DUI provisions).

19 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--FOR THE COUNTY**
20 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

21 Impaired Driving Safety Account Appropriation \$1,896,502

22 The appropriation in this section is subject to the following
23 conditions and limitations: The amount appropriated in this section
24 shall be distributed quarterly during the 2003-2005 biennium in
25 accordance with RCW 82.14.310. This funding is provided to counties
26 for the costs of implementing criminal justice legislation including,
27 but not limited to: Chapter 206, Laws of 1998 (drunk driving
28 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
29 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
30 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
31 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
32 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
33 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
34 215, Laws of 1998 (DUI provisions).

1 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**
 2 **FOR DISTRIBUTION**

3	General Fund Appropriation for federal grazing fees	
4	distributions	\$1,293,828
5	General Fund Appropriation for federal flood control	
6	funds distribution	\$25,050
7	Federal Forest Revolving Fund Appropriation for	
8	federal forest reserve fund distribution	\$83,492,373
9	TOTAL APPROPRIATION	\$84,811,251

10 The total expenditures from the state treasury under the
 11 appropriations in this section shall not exceed the funds available
 12 under statutory distributions for the stated purposes.

13 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS**

14 For transfers in this section to the state general fund, pursuant
 15 to RCW 43.135.035(5), the state expenditure limit shall be increased by
 16 the amount of the transfer. The increase shall occur in the fiscal
 17 year in which the transfer occurs.

18	General Fund: For transfer to the water	
19	quality account	\$24,151,600
20	Water Quality Account: For transfer to the	
21	water pollution control account	\$10,500,000
22	State Convention and Trade Center Account:	
23	For transfer to the state general fund	\$10,000,000
24	County Sale/Use Tax Equalization Account:	
25	For transfer to the state general fund	\$74,000
26	Financial Services Regulation Fund: For	
27	transfer to the state general fund at	
28	the beginning of fiscal year 2005	\$1,632,000
29	Municipal Sale/Use Tax Equalization Account:	
30	For transfer to the state general fund	\$374,000
31	Asbestos Account: For transfer to the state	
32	general fund	\$200,000
33	Industrial Insurance Premium Refund Account:	
34	For transfer to the state general fund	\$577,000
35	Electrical License Account: For transfer	
36	to the state general fund	\$7,000,000

1	Public Service Revolving Account: For transfer	
2	to the state general fund	\$1,600,000
3	Insurance Commissioner's Regulatory: For transfer	
4	to the state general fund	\$1,500,000
5	State Treasurer's Service Account: For	
6	transfer to the state general fund	\$10,000,000
7	Department of Retirement Systems Expense	
8	Account: For transfer to the state	
9	general fund	\$1,500,000
10	Gambling Revolving Account: For transfer	
11	to the state general fund	\$1,500,000
12	Pressure Systems Safety Account: For transfer	
13	to the state general fund	\$500,000
14	Woodstove Education and Enforcement Account:	
15	For transfer to the air pollution control account	\$600,000
16	Local Toxics Control Account: For transfer	
17	to the state toxics control account	\$4,059,000
18	Flood Control Assistance Account: For transfer	
19	to the state general fund	\$2,700,000
20	Nisqually Earthquake Account--State: For	
21	transfer to the state disaster response	
22	account for fiscal year 2004	\$6,234,000
23	Health Services Account: For transfer to the	
24	tobacco prevention and control account	\$24,216,000
25	Health Services Account: For transfer to the	
26	violence reduction and drug enforcement	
27	account	\$7,789,000
28	Health Services Account: For transfer to the	
29	water quality account	\$8,182,000
30	Health Services Account: For transfer to the	
31	state general fund for fiscal year 2005	\$10,000,000
32	Tobacco Settlement Account: For transfer to	
33	the health services account, in an amount	
34	not to exceed the actual balance of the	
35	tobacco settlement account	\$185,000,000
36	Emergency Reserve Fund: For transfer to the	
37	state general fund	\$57,046,000

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

2 **TRANSFERS**

3 General Fund--State Appropriation: For transfer to the
4 department of retirement systems expense account:
5 For the administrative expenses of the judicial
6 retirement system \$21,901

(End of part)

1 (e) Progress toward enabling electronic access to public
2 information.

3 (3) Each project will be planned and designed to take optimal
4 advantage of Internet technologies and protocols. Agencies shall
5 ensure that the project is in compliance with the architecture,
6 infrastructure, principles, policies, and standards of digital
7 government as maintained by the information services board.

8 (4) The agency shall produce a feasibility study for information
9 technology projects at the direction of the information services board
10 and in accordance with published department of information services
11 policies and guidelines. At a minimum, such studies shall include a
12 statement of: (a) The purpose or impetus for change; (b) the business
13 value to the agency, including an examination and evaluation of
14 benefits, advantages, and cost; (c) a comprehensive risk assessment
15 based on the proposed project's impact on both citizens and state
16 operations, its visibility, and the consequences of doing nothing; (d)
17 the impact on agency and statewide information infrastructure; and (e)
18 the impact of the proposed enhancements to an agency's information
19 technology capabilities on meeting service delivery demands.

20 (5) The agency shall produce a comprehensive management plan for
21 each project. The plan or plans shall address all factors critical to
22 successful completion of each project. The plan(s) shall include, but
23 is not limited to, the following elements: A description of the
24 problem or opportunity that the information technology project is
25 intended to address; a statement of project objectives and assumptions;
26 a definition and schedule of phases, tasks, and activities to be
27 accomplished; and the estimated cost of each phase. The planning for
28 the phased approach shall be such that the business case justification
29 for a project needs to demonstrate how the project recovers cost or
30 adds measurable value or positive cost benefit to the agency's business
31 functions within each development cycle.

32 (6) The agency shall produce quality assurance plans for
33 information technology projects. Consistent with the direction of the
34 information services board and the published policies and guidelines of
35 the department of information services, the quality assurance plan
36 shall address all factors critical to successful completion of the
37 project and successful integration with the agency and state

1 information technology infrastructure. At a minimum, quality assurance
2 plans shall provide time and budget benchmarks against which project
3 progress can be measured, a specification of quality assurance
4 responsibilities, and a statement of reporting requirements. The
5 quality assurance plans shall set out the functionality requirements
6 for each phase of a project.

7 (7) A copy of each feasibility study, project management plan, and
8 quality assurance plan shall be provided to the department of
9 information services, the office of financial management, and
10 legislative fiscal committees. The plans and studies shall demonstrate
11 a sound business case that justifies the investment of taxpayer funds
12 on any new project, an assessment of the impact of the proposed system
13 on the existing information technology infrastructure, the disciplined
14 use of preventative measures to mitigate risk, and the leveraging of
15 private-sector expertise as needed. Authority to expend any funds for
16 individual information systems projects is conditioned on the approval
17 of the relevant feasibility study, project management plan, and quality
18 assurance plan by the department of information services and the office
19 of financial management.

20 (8) Quality assurance status reports shall be submitted to the
21 department of information services, the office of financial management,
22 and legislative fiscal committees at intervals specified in the
23 project's quality assurance plan.

24 NEW SECTION. **Sec. 903. VIDEO TELECOMMUNICATIONS.** The department
25 of information services shall act as lead agency in coordinating video
26 telecommunications services for state agencies. As lead agency, the
27 department shall develop standards and common specifications for leased
28 and purchased telecommunications equipment and assist state agencies in
29 developing a video telecommunications expenditure plan. No agency may
30 spend any portion of any appropriation in this act for new video
31 telecommunication equipment, new video telecommunication transmission,
32 or new video telecommunication programming, or for expanding current
33 video telecommunication systems without first complying with chapter
34 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
35 without first submitting a video telecommunications expenditure plan,
36 in accordance with the policies of the department of information

1 services, for review and assessment by the department of information
2 services under RCW 43.105.052. Prior to any such expenditure by a
3 public school, a video telecommunications expenditure plan shall be
4 approved by the superintendent of public instruction. The office of
5 the superintendent of public instruction shall submit the plans to the
6 department of information services in a form prescribed by the
7 department. The office of the superintendent of public instruction
8 shall coordinate the use of video telecommunications in public schools
9 by providing educational information to local school districts and
10 shall assist local school districts and educational service districts
11 in telecommunications planning and curriculum development. Prior to
12 any such expenditure by a public institution of postsecondary
13 education, a telecommunications expenditure plan shall be approved by
14 the higher education coordinating board. The higher education
15 coordinating board shall coordinate the use of video telecommunications
16 for instruction and instructional support in postsecondary education,
17 including the review and approval of instructional telecommunications
18 course offerings.

19 NEW SECTION. **Sec. 904. VOLUNTARY DEFICIT REDUCTION CONTRIBUTION**
20 **ACCOUNT.** The voluntary deficit reduction contribution account is
21 created in the state treasury. All receipts from citizens' voluntary
22 contributions, donations, gifts, bequests, grants, or other sources
23 granted or given for this account must be deposited in the account.
24 Money in the account shall be used exclusively for public purposes and
25 may be spent only after appropriation. Unless the donor has directed
26 that his or her contribution be used for a particular state program or
27 function, expenditures from the account may be used for any general
28 fund or transportation purpose.

29 NEW SECTION. **Sec. 905. PROGRAM COST SHIFTS.** Any program costs
30 or moneys in this act that are shifted to the general fund from another
31 fund or account require an adjustment to the expenditure limit under
32 RCW 43.135.035(5).

33 NEW SECTION. **Sec. 906. EMERGENCY FUND ALLOCATIONS.** Whenever
34 allocations are made from the governor's emergency fund appropriation

1 to an agency that is financed in whole or in part by other than general
2 fund moneys, the director of financial management may direct the
3 repayment of such allocated amount to the general fund from any balance
4 in the fund or funds which finance the agency. No appropriation shall
5 be necessary to effect such repayment.

6 NEW SECTION. **Sec. 907. STATUTORY APPROPRIATIONS.** In addition
7 to the amounts appropriated in this act for revenues for distribution,
8 state contributions to the law enforcement officers' and fire fighters'
9 retirement system plan 2, and bond retirement and interest including
10 ongoing bond registration and transfer charges, transfers, interest on
11 registered warrants, and certificates of indebtedness, there is also
12 appropriated such further amounts as may be required or available for
13 these purposes under any statutory formula or under chapters 39.94 and
14 39.96 RCW or any proper bond covenant made under law.

15 NEW SECTION. **Sec. 908. BOND EXPENSES.** In addition to such other
16 appropriations as are made by this act, there is hereby appropriated to
17 the state finance committee from legally available bond proceeds in the
18 applicable construction or building funds and accounts such amounts as
19 are necessary to pay the expenses incurred in the issuance and sale of
20 the subject bonds.

21 NEW SECTION. **Sec. 909. VOLUNTARY SEPARATION INCENTIVES.** As a
22 management tool to reduce costs and make more effective use of
23 resources, while improving employee productivity and morale, agencies
24 may offer voluntary separation and/or downshifting incentives and
25 options according to procedures and guidelines established by the
26 department of personnel and the department of retirement systems in
27 consultation with the office of financial management. The options may
28 include, but are not limited to, financial incentives for: Voluntary
29 resignation and retirement, voluntary leave-without-pay, voluntary
30 workweek or work hour reduction, voluntary downward movement, or
31 temporary separation for development purposes. No employee shall have
32 a contractual right to a financial incentive offered pursuant to this
33 section and employees accepting a voluntary separation incentive are

1 not eligible for unemployment compensation based on their separation
2 from state employment under Title 50 RCW.

3 Agencies shall report on the outcomes of their plans, and offers
4 shall be reviewed and monitored jointly by the department of personnel
5 and the department of retirement systems, for reporting to the office
6 of financial management by December 1, 2004.

7 NEW SECTION. **Sec. 910. VOLUNTARY RETIREMENT INCENTIVES.** It is
8 the intent of the legislature that agencies may implement a voluntary
9 retirement incentive program that is cost neutral or results in cost
10 savings provided that such a program is approved by the director of
11 retirement systems and the office of financial management. No employee
12 shall have a contractual right to a financial incentive offered
13 pursuant to this section, and employees accepting a voluntary
14 retirement incentive are not eligible for unemployment compensation
15 based on their separation from state employment under Title 50 RCW.
16 Agencies participating in this authorization are required to submit a
17 report by June 30, 2005, to the legislature and the office of financial
18 management on the outcome of their approved retirement incentive
19 program. The report should include information on the details of the
20 program including resulting service delivery changes, agency
21 efficiencies, the cost of the retirement incentive per participant, the
22 total cost to the state, and the projected or actual net dollar savings
23 over the 2003-05 biennium.

24 **Sec. 911.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to
25 read as follows:

26 There is hereby created the gambling revolving fund which shall
27 consist of all moneys receivable for licensing, penalties, forfeitures,
28 and all other moneys, income, or revenue received by the commission.
29 The state treasurer shall be custodian of the fund. All moneys
30 received by the commission or any employee thereof, except for change
31 funds and an amount of petty cash as fixed by rule or regulation of the
32 commission, shall be deposited each day in a depository approved by the
33 state treasurer and transferred to the state treasurer to be credited
34 to the gambling revolving fund. Disbursements from the revolving fund
35 shall be on authorization of the commission or a duly authorized

1 representative thereof. In order to maintain an effective expenditure
2 and revenue control the gambling revolving fund shall be subject in all
3 respects to chapter 43.88 RCW but no appropriation shall be required to
4 permit expenditures and payment of obligations from such fund. All
5 expenses relative to commission business, including but not limited to
6 salaries and expenses of the director and other commission employees
7 shall be paid from the gambling revolving fund.

8 During the ~~((2001-2003))~~ 2003-2005 fiscal biennium, the legislature
9 may transfer from the gambling revolving fund to the state general fund
10 such amounts as reflect the excess fund balance of the fund ~~((and
11 reductions made by the 2002 supplemental appropriations act for
12 administrative efficiencies and savings))~~.

13 **Sec. 912.** RCW 19.28.351 and 1988 c 81 s 11 are each amended to
14 read as follows:

15 All sums received from licenses, permit fees, or other sources,
16 herein shall be paid to the state treasurer and placed in a special
17 fund designated as the "electrical license fund," and ~~((by him))~~ paid
18 out upon vouchers duly and regularly issued therefor and approved by
19 the director of labor and industries or the director's designee
20 following determination by the board that the sums are necessary to
21 accomplish the intent of chapter 19.28 RCW. The treasurer shall keep
22 an accurate record of payments into, or receipts of, ~~((said))~~ the fund,
23 and of all disbursements therefrom.

24 During the 2003-2005 biennium, the legislature may transfer moneys
25 from the electrical license fund to the state general fund such amounts
26 as reflect the excess fund balance of the fund.

27 **Sec. 913.** RCW 28A.305.210 and 1975 1st ex.s. c 275 s 51 are each
28 amended to read as follows:

29 (1) The state board of education, by rule or regulation, may
30 require the assistance of educational service district boards and/or
31 superintendents in the performance of any duty, authority, or power
32 imposed upon or granted to the state board of education by law, upon
33 such terms and conditions as the state board of education shall
34 establish. Such authority to assist the state board of education shall

1 be limited to the service function of information collection and
2 dissemination and the attestation to the accuracy and completeness of
3 submitted information.

4 (2) During the 2003-05 biennium, educational service districts may,
5 at the request of the state board of education, receive and screen
6 applications for school accreditation, conduct school accreditation
7 site visits pursuant to state board of education rules, and submit to
8 the state board of education post-site visit recommendations for school
9 accreditation. The educational service districts may assess a
10 cooperative service fee to recover actual plus reasonable indirect
11 costs for the purposes of this subsection.

12 **Sec. 914.** RCW 28A.500.030 and 2002 c 317 s 4 are each amended to
13 read as follows:

14 Allocation of state matching funds to eligible districts for local
15 effort assistance shall be determined as follows:

16 (1) Funds raised by the district through maintenance and operation
17 levies shall be matched with state funds using the following ratio of
18 state funds to levy funds:

19 (a) The difference between the district's twelve percent levy rate
20 and the statewide average twelve percent levy rate; to

21 (b) The statewide average twelve percent levy rate.

22 (2) The maximum amount of state matching funds for districts
23 eligible for local effort assistance shall be the district's twelve
24 percent levy amount, multiplied by the following percentage:

25 (a) The difference between the district's twelve percent levy rate
26 and the statewide average twelve percent levy rate; divided by

27 (b) The district's twelve percent levy rate.

28 (3) Calendar year 2003 allocations and maximum eligibility under
29 this chapter shall be multiplied by 0.99.

30 (4) From January 1, 2004, to June 30, 2005, allocations and maximum
31 eligibility under this chapter shall be multiplied by 0.937.

32 **Sec. 915.** RCW 36.18.010 and 2002 c 294 s 3 are each amended to
33 read as follows:

34 County auditors or recording officers shall collect the following
35 fees for their official services:

1 For recording instruments, for the first page eight and one-half by
2 fourteen inches or less, five dollars; for each additional page eight
3 and one-half by fourteen inches or less, one dollar. The fee for
4 recording multiple transactions contained in one instrument will be
5 calculated for each transaction requiring separate indexing as required
6 under RCW 65.04.050 as follows: The fee for each title or transaction
7 is the same fee as the first page of any additional recorded document;
8 the fee for additional pages is the same fee as for any additional
9 pages for any recorded document; the fee for the additional pages may
10 be collected only once and may not be collected for each title or
11 transaction;

12 For preparing and certifying copies, for the first page eight and
13 one-half by fourteen inches or less, three dollars; for each additional
14 page eight and one-half by fourteen inches or less, one dollar;

15 For preparing noncertified copies, for each page eight and one-half
16 by fourteen inches or less, one dollar;

17 For administering an oath or taking an affidavit, with or without
18 seal, two dollars;

19 For issuing a marriage license, eight dollars, (this fee includes
20 taking necessary affidavits, filing returns, indexing, and transmittal
21 of a record of the marriage to the state registrar of vital statistics)
22 plus an additional (~~(five)~~) fifteen-dollar fee for use and support of
23 the prevention of child abuse and neglect activities to be transmitted
24 monthly to the state treasurer and deposited in the state general fund
25 plus an additional ten-dollar fee to be transmitted monthly to the
26 state treasurer and deposited in the state general fund. The
27 legislature intends to appropriate an amount at least equal to the
28 revenue generated by this fee for the purposes of the displaced
29 homemaker act, chapter 28B.04 RCW;

30 For searching records per hour, eight dollars;

31 For recording plats, fifty cents for each lot except cemetery plats
32 for which the charge shall be twenty-five cents per lot; also one
33 dollar for each acknowledgment, dedication, and description: PROVIDED,
34 That there shall be a minimum fee of twenty-five dollars per plat;

35 For recording of miscellaneous records not listed above, for the
36 first page eight and one-half by fourteen inches or less, five dollars;

1 for each additional page eight and one-half by fourteen inches or less,
2 one dollar;

3 For modernization and improvement of the recording and indexing
4 system, a surcharge as provided in RCW 36.22.170.

5 For recording an emergency nonstandard document as provided in RCW
6 65.04.047, fifty dollars, in addition to all other applicable recording
7 fees.

8 For recording instruments, a surcharge as provided in RCW
9 36.22.178.

10 **Sec. 916.** RCW 38.52.106 and 2002 c 371 s 904 are each amended to
11 read as follows:

12 The Nisqually earthquake account is created in the state treasury.
13 Moneys may be placed in the account from tax revenues, budget transfers
14 or appropriations, federal appropriations, gifts, or any other lawful
15 source. Moneys in the account may be spent only after appropriation.
16 Moneys in the account shall be used only to support state and local
17 government disaster response and recovery efforts associated with the
18 Nisqually earthquake. During the ((2001-)) 2003-2005 fiscal biennium,
19 the legislature may transfer moneys from the Nisqually earthquake
20 account to the disaster response account for fire suppression and
21 mobilization costs((, and costs associated with national security
22 preparedness activities)).

23 **Sec. 917.** RCW 41.50.110 and 1998 c 341 s 508 are each amended to
24 read as follows:

25 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
26 section, all expenses of the administration of the department and the
27 expenses of administration of the retirement systems created in
28 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, and 43.43 RCW
29 shall be paid from the department of retirement systems expense fund.

30 (2) In order to reimburse the department of retirement systems
31 expense fund on an equitable basis the department shall ascertain and
32 report to each employer, as defined in RCW 41.26.030, 41.32.010,
33 41.35.010, or 41.40.010, the sum necessary to defray its proportional
34 share of the entire expense of the administration of the retirement
35 system that the employer participates in during the ensuing biennium or

1 fiscal year whichever may be required. Such sum is to be computed in
2 an amount directly proportional to the estimated entire expense of the
3 administration as the ratio of monthly salaries of the employer's
4 members bears to the total salaries of all members in the entire
5 system. It shall then be the duty of all such employers to include in
6 their budgets or otherwise provide the amounts so required.

7 (3) The department shall compute and bill each employer, as defined
8 in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of
9 each month for the amount due for that month to the department of
10 retirement systems expense fund and the same shall be paid as are its
11 other obligations. Such computation as to each employer shall be made
12 on a percentage rate of salary established by the department. However,
13 the department may at its discretion establish a system of billing
14 based upon calendar year quarters in which event the said billing shall
15 be at the end of each such quarter.

16 (4) The director may adjust the expense fund contribution rate for
17 each system at any time when necessary to reflect unanticipated costs
18 or savings in administering the department.

19 (5) An employer who fails to submit timely and accurate reports to
20 the department may be assessed an additional fee related to the
21 increased costs incurred by the department in processing the deficient
22 reports. Fees paid under this subsection shall be deposited in the
23 retirement system expense fund.

24 (a) Every six months the department shall determine the amount of
25 an employer's fee by reviewing the timeliness and accuracy of the
26 reports submitted by the employer in the preceding six months. If
27 those reports were not both timely and accurate the department may
28 prospectively assess an additional fee under this subsection.

29 (b) An additional fee assessed by the department under this
30 subsection shall not exceed fifty percent of the standard fee.

31 (c) The department shall adopt rules implementing this section.

32 (6) Expenses other than those under RCW 41.34.060(~~(+2)~~) (3) shall
33 be paid pursuant to subsection (1) of this section.

34 (7) During the 2003-2005 fiscal biennium, the legislature may
35 transfer from the department of retirement systems' expense fund to the
36 state general fund such amounts as reflect the excess fund balance of
37 the fund.

1 **Sec. 918.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended
2 to read as follows:

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

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

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

20 **Sec. 919.** RCW 43.03.050 and 1990 c 30 s 1 are each amended to read
21 as follows:

22 (1) The director of financial management shall prescribe reasonable
23 allowances to cover reasonable and necessary subsistence and lodging
24 expenses for elective and appointive officials and state employees
25 while engaged on official business away from their designated posts of
26 duty. The director of financial management may prescribe and regulate
27 the allowances provided in lieu of subsistence and lodging expenses and
28 may prescribe the conditions under which reimbursement for subsistence
29 and lodging may be allowed. The schedule of allowances adopted by the
30 office of financial management may include special allowances for
31 foreign travel and other travel involving higher than usual costs for
32 subsistence and lodging. The allowances established by the director
33 shall not exceed the rates set by the federal government for federal
34 employees. However, during the 2003-05 fiscal biennium, the allowances
35 for any county that is part of a metropolitan statistical area, the

1 largest city of which is in another state, shall equal the allowances
2 prescribed for that larger city.

3 (2) Those persons appointed to serve without compensation on any
4 state board, commission, or committee, if entitled to payment of
5 travel expenses, shall be paid pursuant to special per diem rates
6 prescribed in accordance with subsection (1) of this section by the
7 office of financial management.

8 (3) The director of financial management may prescribe reasonable
9 allowances to cover reasonable expenses for meals, coffee, and light
10 refreshment served to elective and appointive officials and state
11 employees regardless of travel status at a meeting where: (a) The
12 purpose of the meeting is to conduct official state business or to
13 provide formal training to state employees or state officials; (b) the
14 meals, coffee, or light refreshment are an integral part of the meeting
15 or training session; (c) the meeting or training session takes place
16 away from the employee's or official's regular workplace; and (d) the
17 agency head or authorized designee approves payments in advance for the
18 meals, coffee, or light refreshment. In order to prevent abuse, the
19 director may regulate such allowances and prescribe additional
20 conditions for claiming the allowances.

21 (4) Upon approval of the agency head or authorized designee, an
22 agency may serve coffee or light refreshments at a meeting where: (a)
23 The purpose of the meeting is to conduct state business or to provide
24 formal training that benefits the state; and (b) the coffee or light
25 refreshment is an integral part of the meeting or training session.
26 The director of financial management shall adopt requirements necessary
27 to prohibit abuse of the authority authorized in this subsection.

28 (5) The schedule of allowances prescribed by the director under the
29 terms of this section and any subsequent increases in any maximum
30 allowance or special allowances for areas of higher than usual costs
31 shall be reported to the ways and means committees of the house of
32 representatives and the senate at each regular session of the
33 legislature.

34 **Sec. 920.** RCW 43.10.180 and 1979 c 151 s 95 are each amended to
35 read as follows:

36 (1) The attorney general shall keep such records as are necessary

1 to facilitate proper allocation of costs to funds and agencies served
2 and the director of financial management shall prescribe appropriate
3 accounting procedures to accurately allocate costs to funds and
4 agencies served. Billings shall be adjusted in line with actual costs
5 incurred at intervals not to exceed six months.

6 (2) During the 2003-05 fiscal biennium, all expenses for
7 administration of the office of the attorney general shall be allocated
8 to and paid from the legal services revolving fund in accordance with
9 accounting procedures prescribed by the director of financial
10 management.

11 **Sec. 921.** RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c
12 289 s 4 are each reenacted and amended to read as follows:

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

1 treatment and related services, the department of corrections' costs in
2 implementing chapter 196, Laws of 1999, reimbursement of local
3 governments for costs associated with implementing criminal and civil
4 justice legislation, the replacement of the department of corrections'
5 offender-based tracking system, public notification about registered
6 sex offenders, the family policy council, crisis residential centers or
7 secure crisis residential centers, payments to school districts for
8 truancy petitions, payments to superior courts for truancy, child-in-
9 need-of-services or at-risk youth petitions, and narcotics or
10 methamphetamine-related enforcement, education, training, and drug and
11 alcohol treatment services.

12 **Sec. 922.** RCW 43.43.944 and 1999 c 117 s 2 are each amended to
13 read as follows:

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

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

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

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

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

26 **Sec. 923.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
27 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
28 follows:

29 (1) The emergency reserve fund is established in the state
30 treasury. During each fiscal year, the state treasurer shall deposit
31 in the emergency reserve fund all general fund--state revenues in
32 excess of the state expenditure limit for that fiscal year. Deposits
33 shall be made at the end of each fiscal quarter based on projections of
34 state revenues and the state expenditure limit. The treasurer shall

1 make transfers between these accounts as necessary to reconcile actual
2 annual revenues and the expenditure limit for fiscal year 2000 and
3 thereafter.

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

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

27 (4) The education construction fund is hereby created in the state
28 treasury.

29 (a) Funds may be appropriated from the education construction fund
30 exclusively for common school construction or higher education
31 construction.

32 (b) Funds may be appropriated for any other purpose only if
33 approved by a two-thirds vote of each house of the legislature and if
34 approved by a vote of the people at the next general election. An
35 appropriation approved by the people under this subsection shall result
36 in an adjustment to the state expenditure limit only for the fiscal

1 period for which the appropriation is made and shall not affect any
2 subsequent fiscal period.

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

8 (6) Earnings of the emergency reserve fund under RCW
9 43.84.092(4)(a) shall be transferred quarterly to the multimodal
10 transportation account, except for those earnings that are in excess of
11 thirty-five million dollars each fiscal year. Within thirty days
12 following any fiscal year in which earnings transferred to the
13 multimodal transportation account under this subsection did not total
14 thirty-five million dollars, the state treasurer shall transfer from
15 the emergency reserve fund an amount necessary to bring the total
16 deposited in the multimodal transportation account under this
17 subsection to thirty-five million dollars. The revenues to the
18 multimodal transportation account reflected in this subsection provide
19 ongoing support for the transportation programs of the state. However,
20 it is the intent of the legislature that any new long-term financial
21 support that may be subsequently provided for transportation programs
22 will be used to replace and supplant the revenues reflected in this
23 subsection, thereby allowing those revenues to be returned to the
24 purposes to which they were previously dedicated. No transfers from
25 the emergency reserve fund to the multimodal transportation account
26 shall be made during the 2003-05 fiscal biennium.

27 **Sec. 924.** RCW 43.320.110 and 2002 c 371 s 912 are each amended to
28 read as follows:

29 There is created a local fund known as the "financial services
30 regulation fund" which shall consist of all moneys received by the
31 divisions of the department of financial institutions, except for the
32 division of securities which shall deposit thirteen percent of all
33 moneys received, and which shall be used for the purchase of supplies
34 and necessary equipment; the payment of salaries, wages, and utilities;
35 the establishment of reserves; and other incidental costs required for
36 the proper regulation of individuals and entities subject to regulation

1 by the department. The state treasurer shall be the custodian of the
2 fund. Disbursements from the fund shall be on authorization of the
3 director of financial institutions or the director's designee. In
4 order to maintain an effective expenditure and revenue control, the
5 fund shall be subject in all respects to chapter 43.88 RCW, but no
6 appropriation is required to permit expenditures and payment of
7 obligations from the fund.

8 ~~((Between July 1, 2001, and December 31, 2001, the legislature may
9 transfer up to two million dollars from the financial services
10 regulation fund to the digital government revolving account.))~~ During
11 the ~~((2001-))~~ 2003-2005 fiscal biennium, the legislature may transfer
12 from the financial services regulation fund to the state general fund
13 such amounts as reflect the excess fund balance of the fund and
14 appropriations reductions made by the ~~((2002—supplemental))~~
15 appropriations act for administrative efficiencies and savings.

16 **Sec. 925.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
17 read as follows:

18 (1) From time to time, but at least once each year, the state
19 treasurer shall refund from the motor vehicle fund one percent of the
20 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
21 based on the tax rate in effect January 1, 1990, less proper deductions
22 for refunds and costs of collection as provided in RCW 46.68.090. The
23 treasurer shall place these funds in the general fund as follows:

24 (a) Forty percent shall be credited to the ORV and nonhighway
25 vehicle account and administered by the department of natural resources
26 solely for planning, maintenance, and management of ORV recreation
27 facilities, nonhighway roads, and nonhighway road recreation
28 facilities. The funds under this subsection shall be expended in
29 accordance with the following limitations:

30 (i) Not more than five percent may be expended for information
31 programs under this chapter;

32 (ii) Not less than ten percent and not more than fifty percent may
33 be expended for ORV recreation facilities;

34 (iii) Not more than twenty-five percent may be expended for
35 maintenance of nonhighway roads;

1 (iv) Not more than fifty percent may be expended for nonhighway
2 road recreation facilities;

3 (v) Ten percent shall be transferred to the interagency committee
4 for outdoor recreation for grants to law enforcement agencies in those
5 counties where the department of natural resources maintains ORV
6 facilities. This amount is in addition to those distributions made by
7 the interagency committee for outdoor recreation under (d)(i) of this
8 subsection;

9 (b) Three and one-half percent shall be credited to the ORV and
10 nonhighway vehicle account and administered by the department of fish
11 and wildlife solely for the acquisition, planning, development,
12 maintenance, and management of nonhighway roads and recreation
13 facilities;

14 (c) Two percent shall be credited to the ORV and nonhighway vehicle
15 account and administered by the parks and recreation commission solely
16 for the maintenance and management of ORV use areas and facilities; and

17 (d) Fifty-four and one-half percent, together with the funds
18 received by the interagency committee for outdoor recreation under RCW
19 46.09.110, shall be credited to the nonhighway and off-road vehicle
20 activities program account to be administered by the committee for
21 planning, acquisition, development, maintenance, and management of ORV
22 recreation facilities and nonhighway road recreation facilities; ORV
23 user education and information; and ORV law enforcement programs. The
24 funds under this subsection shall be expended in accordance with the
25 following limitations:

26 (i) Not more than twenty percent may be expended for ORV education,
27 information, and law enforcement programs under this chapter;

28 (ii) Not less than an amount equal to the funds received by the
29 interagency committee for outdoor recreation under RCW 46.09.110 and
30 not more than sixty percent may be expended for ORV recreation
31 facilities;

32 (iii) Not more than twenty percent may be expended for nonhighway
33 road recreation facilities.

34 (2) On a yearly basis an agency may not, except as provided in RCW
35 46.09.110, expend more than ten percent of the funds it receives under
36 this chapter for general administration expenses incurred in carrying
37 out this chapter.

1 (3) During the 2003-05 fiscal biennium, the legislature may
2 appropriate such amounts as reflect the excess fund balance in the ORV
3 account to the interagency committee for outdoor recreation, the
4 department of natural resources, the department of fish and wildlife,
5 and the state parks and recreation commission. This appropriation is
6 not required to follow the specific distribution specified in
7 subsection (1) of this section.

8 **Sec. 926.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to
9 read as follows:

10 (1) As used in this section:

11 (a) "Organization" means every insurer, as defined in RCW
12 48.01.050, having a certificate of authority to do business in this
13 state and every health care service contractor registered to do
14 business in this state. "Class one" organizations shall consist of all
15 insurers as defined in RCW 48.01.050. "Class two" organizations shall
16 consist of all organizations registered under provisions of chapter
17 48.44 RCW.

18 (b) "Receipts" means (i) net direct premiums consisting of direct
19 gross premiums, as defined in RCW 48.18.170, paid for insurance written
20 or renewed upon risks or property resident, situated, or to be
21 performed in this state, less return premiums and premiums on policies
22 not taken, dividends paid or credited to policyholders on direct
23 business, and premiums received from policies or contracts issued in
24 connection with qualified plans as defined in RCW 48.14.021, and (ii)
25 prepayments to health care service contractors as set forth in RCW
26 48.44.010(3) less experience rating credits, dividends, prepayments
27 returned to subscribers, and payments for contracts not taken.

28 (2) The annual cost of operating the office of insurance
29 commissioner shall be determined by legislative appropriation. A pro
30 rata share of the cost shall be charged to all organizations. Each
31 class of organization shall contribute sufficient in fees to the
32 insurance commissioner's regulatory account to pay the reasonable
33 costs, including overhead, of regulating that class of organization.

34 (3) Fees charged shall be calculated separately for each class of
35 organization. The fee charged each organization shall be that portion
36 of the cost of operating the insurance commissioner's office, for that

1 class of organization, for the ensuing fiscal year that is represented
2 by the organization's portion of the receipts collected or received by
3 all organizations within that class on business in this state during
4 the previous calendar year: PROVIDED, That the fee shall not exceed
5 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
6 minimum fee shall be one thousand dollars.

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

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

23 (6) Unexpended funds in the insurance commissioner's regulatory
24 account at the close of a fiscal year shall be carried forward in the
25 insurance commissioner's regulatory account to the succeeding fiscal
26 year and shall be used to reduce future fees. During the ((2001-2003))
27 2003-2005 fiscal biennium, the legislature may transfer from the
28 insurance commissioner's regulatory account to the state general fund
29 such amounts as reflect excess fund balance in the account.

30 **Sec. 927.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to
31 read as follows:

32 (1) The department shall administer this chapter.

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

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

4 (4) The asbestos account is hereby established in the state
5 treasury. All fees collected under this chapter shall be deposited in
6 the account. Moneys in the account shall be spent after appropriation
7 only for costs incurred by the department in the administration and
8 enforcement of this chapter. Disbursements from the account shall be
9 on authorization of the director of the department or the director's
10 designee.

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

14 **Sec. 928.** RCW 50.16.010 and 2002 c 371 s 914 are each amended to
15 read as follows:

16 There shall be maintained as special funds, separate and apart from
17 all public moneys or funds of this state an unemployment compensation
18 fund, an administrative contingency fund, and a federal interest
19 payment fund, which shall be administered by the commissioner
20 exclusively for the purposes of this title, and to which RCW 43.01.050
21 shall not be applicable.

22 The unemployment compensation fund shall consist of

23 (1) all contributions and payments in lieu of contributions
24 collected pursuant to the provisions of this title,

25 (2) any property or securities acquired through the use of moneys
26 belonging to the fund,

27 (3) all earnings of such property or securities,

28 (4) any moneys received from the federal unemployment account in
29 the unemployment trust fund in accordance with Title XII of the social
30 security act, as amended,

31 (5) all money recovered on official bonds for losses sustained by
32 the fund,

33 (6) all money credited to this state's account in the unemployment
34 trust fund pursuant to section 903 of the social security act, as
35 amended,

1 (7) all money received from the federal government as reimbursement
2 pursuant to section 204 of the federal-state extended compensation act
3 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

4 (8) all moneys received for the fund from any other source.

5 All moneys in the unemployment compensation fund shall be
6 commingled and undivided.

7 The administrative contingency fund shall consist of all interest
8 on delinquent contributions collected pursuant to this title, all fines
9 and penalties collected pursuant to the provisions of this title, all
10 sums recovered on official bonds for losses sustained by the fund, and
11 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
12 forfeitures and penalties collected or assessed by a district court
13 because of the violation of a state law shall be remitted as provided
14 in chapter 3.62 RCW as now exists or is later amended.

15 Moneys available in the administrative contingency fund, other than
16 money in the special account created under RCW 50.24.014, shall be
17 expended upon the direction of the commissioner, with the approval of
18 the governor, whenever it appears to him or her that such expenditure
19 is necessary for:

20 (a) The proper administration of this title and no federal funds
21 are available for the specific purpose to which such expenditure is to
22 be made, provided, the moneys are not substituted for appropriations
23 from federal funds which, in the absence of such moneys, would be made
24 available.

25 (b) The proper administration of this title for which purpose
26 appropriations from federal funds have been requested but not yet
27 received, provided, the administrative contingency fund will be
28 reimbursed upon receipt of the requested federal appropriation.

29 (c) The proper administration of this title for which compliance
30 and audit issues have been identified that establish federal claims
31 requiring the expenditure of state resources in resolution. Claims
32 must be resolved in the following priority: First priority is to
33 provide services to eligible participants within the state; second
34 priority is to provide substitute services or program support; and last
35 priority is the direct payment of funds to the federal government.

36 (d) During the ((2001-))2003-2005 fiscal biennium, the cost of

1 (~~worker retraining programs~~) the job skills program and the alliance
2 for corporate education at community and technical colleges as
3 appropriated by the legislature.

4 Money in the special account created under RCW 50.24.014 may only
5 be expended, after appropriation, for the purposes specified in RCW
6 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
7 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

8 **Sec. 929.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to
9 read as follows:

10 The industrial insurance premium refund account is created in the
11 custody of the state treasurer. All industrial insurance refunds
12 earned by state agencies or institutions of higher education under the
13 state fund retrospective rating program shall be deposited into the
14 account. The account is subject to the allotment procedures under
15 chapter 43.88 RCW, but no appropriation is required for expenditures
16 from the account. Only the executive head of the agency or institution
17 of higher education, or designee, may authorize expenditures from the
18 account. No agency or institution of higher education may make an
19 expenditure from the account for an amount greater than the refund
20 earned by the agency. If the agency or institution of higher education
21 has staff dedicated to workers' compensation claims management,
22 expenditures from the account must be used to pay for that staff, but
23 additional expenditure from the account may be used for any program
24 within an agency or institution of higher education that promotes or
25 provides incentives for employee workplace safety and health and early,
26 appropriate return-to-work for injured employees. During the (~~2001-~~
27 ~~2003~~) 2003-2005 fiscal biennium, the legislature may transfer from the
28 industrial insurance premium refund account to the state general fund
29 such amounts as reflect the (~~reductions made by the 2002 supplemental~~
30 ~~appropriations act for administrative efficiencies and savings~~) excess
31 fund balance of the account.

32 **Sec. 930.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to
33 read as follows:

34 (1) The proceeds from the sale of the bonds authorized in RCW
35 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and

1 67.40.130, and all other moneys received by the state convention and
2 trade center from any public or private source which are intended to
3 fund the acquisition, design, construction, expansion, exterior cleanup
4 and repair of the Eagles building, conversion of various retail and
5 other space to meeting rooms, purchase of the land and building known
6 as the McKay Parcel, development of low-income housing, or renovation
7 of the center, and those expenditures authorized under RCW 67.40.170
8 shall be deposited in the state convention and trade center account
9 hereby created in the state treasury and in such subaccounts as are
10 deemed appropriate by the directors of the corporation.

11 (2) Moneys in the account, including unanticipated revenues under
12 RCW 43.79.270, shall be used exclusively for the following purposes in
13 the following priority:

14 (a) For reimbursement of the state general fund under RCW
15 67.40.060;

16 (b) After appropriation by statute:

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

19 (ii) For expenditures authorized in RCW 67.40.170;

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

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

24 (c) For transfer to the state convention and trade center
25 operations account.

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

34 (4) In order to ensure consistent treatment of bonds authorized
35 under RCW 67.40.030 with applicable provisions of the Internal Revenue
36 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment
37 earnings on bond proceeds deposited in the state convention and trade

1 center account in the state treasury shall be retained in the account,
2 and shall be expended by the corporation for the purposes authorized
3 under chapter 386, Laws of 1995 and in a manner consistent with
4 applicable provisions of the Internal Revenue Code of 1986, as amended.

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

9 **Sec. 931.** RCW 69.50.520 and 2002 c 371 s 920 are each amended to
10 read as follows:

11 The violence reduction and drug enforcement account is created in
12 the state treasury. All designated receipts from RCW 9.41.110(8),
13 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
14 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
15 shall be deposited into the account. Expenditures from the account may
16 be used only for funding services and programs under chapter 271, Laws
17 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
18 incarceration costs. Funds from the account may also be appropriated
19 to reimburse local governments for costs associated with implementing
20 criminal justice legislation including chapter 338, Laws of 1997.
21 During the ~~((2001-))~~2003-2005 biennium, funds from the account may also
22 be used for costs associated with providing grants to local governments
23 in accordance with chapter 338, Laws of 1997, ~~((the replacement of the~~
24 ~~department of corrections' offender based tracking system,))~~
25 maintenance and operating costs of the Washington association of
26 sheriffs and police chiefs jail reporting system, civil indigent legal
27 representation, ~~((and for))~~ drug treatment costs for offenders pursuant
28 to RCW 70.96A.350, multijurisdictional narcotics task forces~~((After~~
29 ~~July 1, 2003, at least seven and one half percent of expenditures from~~
30 ~~the account shall be used for providing)), and grants to community
31 networks under chapter 70.190 RCW by the family policy council.~~

32 **Sec. 932.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to
33 read as follows:

34 The chief inspector shall give an official receipt for all fees
35 required by chapter 70.79 RCW and shall transfer all sums so received

1 to the treasurer of the state of Washington as ex officio custodian
2 thereof and (~~by him, as such custodian,~~) the treasurer shall place
3 (~~said~~) all sums in a special fund hereby created and designated as
4 the "pressure systems safety fund". (~~Said~~) Funds (~~by him~~) shall be
5 paid out upon vouchers duly and regularly issued therefor and approved
6 by the director of the department of labor and industries. The
7 treasurer, as ex officio custodian of (~~said~~) the fund, shall keep an
8 accurate record of any payments into (~~said~~) the fund, and of all
9 disbursements therefrom. (~~Said~~) The fund shall be used exclusively
10 to defray only the expenses of administering chapter 70.79 RCW by the
11 chief inspector as authorized by law and the expenses incident to the
12 maintenance of (~~his~~) the office. The fund shall be charged with its
13 pro rata share of the cost of administering (~~said~~) the fund which is
14 to be determined by the director of financial management and by the
15 director of the department of labor and industries.

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

19 **Sec. 933.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to
20 read as follows:

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

30 (2) The department may use or permit the use of any moneys in the
31 account to make grants or loans to public bodies, including grants to
32 public bodies as cost-sharing moneys in any case where federal, local,
33 or other funds are made available on a cost-sharing basis, for water
34 pollution control facilities and activities, or for purposes of
35 assisting a public body to obtain an ownership interest in water
36 pollution control facilities and/or to defray a part of the payments

1 made by a public body to a service provider under a service agreement
2 entered into pursuant to RCW 70.150.060, within the purposes of this
3 chapter and for related administrative expenses. For the period July
4 1, ~~((2001))~~ 2003, to June 30, ~~((2003))~~ 2005, moneys in the account may
5 be used to process applications received by the department that seek to
6 make changes to or transfer existing water rights and for grants and
7 technical assistance to public bodies for watershed planning under
8 chapter 90.82 RCW. No more than three percent of the moneys deposited
9 in the account may be used by the department to pay for the
10 administration of the grant and loan program authorized by this
11 chapter.

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

20 **Sec. 934.** RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended
21 to read as follows:

22 Within thirty days after June 30, 1987, and within thirty days
23 after each succeeding fiscal year thereafter, the state treasurer shall
24 determine the tax receipts deposited into the water quality account for
25 the preceding fiscal year. ~~((If the tax receipts deposited into the
26 account in each of the fiscal years 1988 and 1989 are less than forty
27 million dollars, the state treasurer shall transfer sufficient moneys
28 from general state revenues into the water quality account to bring the
29 total receipts in each fiscal year up to forty million dollars.~~

30 ~~For the biennium ending June 30, 1991, if the tax receipts
31 deposited into the water quality account and the earnings on investment
32 of balances credited to the account are less than ninety million
33 dollars, the treasurer shall transfer sufficient moneys from general
34 state revenues into the water quality account to bring the total
35 revenue up to ninety million dollars. The determination and transfer
36 shall be made by July 31, 1991.))~~

1 For each fiscal year (~~((1992 and for fiscal years 1995 and 1996 and~~
2 ~~thereafter))~~), if the tax receipts deposited into the water quality
3 account for each fiscal year are less than forty-five million dollars,
4 the treasurer shall transfer sufficient moneys from general state
5 revenues into the water quality account to bring the total revenue up
6 to forty-five million dollars, except that, for fiscal years 2004 and
7 2005, no transfer is required. Determinations and transfers shall be
8 made by July 31 for the preceding fiscal year.

9 **Sec. 935.** RCW 72.11.040 and 2001 2nd sp.s. c 7 s 919 are each
10 amended to read as follows:

11 The cost of supervision fund is created in the custody of the state
12 treasurer. All receipts from assessments made under RCW 9.94A.780 and
13 72.04A.120 shall be deposited into the fund. Expenditures from the
14 fund may be used only to support the collection of legal financial
15 obligations. During the ~~((2001-))~~2003-2005 biennium, funds from the
16 account may also be used for costs associated with the department's
17 supervision of the offenders in the community. Only the secretary of
18 the department of corrections or the secretary's designee may authorize
19 expenditures from the fund. The fund is subject to allotment
20 procedures under chapter 43.88 RCW, but no appropriation is required
21 for expenditures.

22 **Sec. 936.** RCW 79A.05.630 and 2000 c 11 s 50 are each amended to
23 read as follows:

24 (1) Lands within the Seashore Conservation Area shall not be sold,
25 leased, or otherwise disposed of, except as ~~((herein))~~ provided in this
26 section. The commission may, under authority granted in RCW 79A.05.175
27 and 79A.05.180, exchange state park lands in the Seashore Conservation
28 Area for lands of equal value to be managed by the commission
29 consistent with this chapter. Only state park lands lying east of the
30 Seashore Conservation Line, as it is located at the time of exchange,
31 may be so exchanged. The department of natural resources may lease the
32 lands within the Washington State Seashore Conservation Area as well as
33 the accreted lands along the ocean in state ownership for the
34 exploration and production of oil and gas ~~((:—PROVIDED, That))~~.

1 However, oil drilling rigs and equipment will not be placed on the
2 Seashore Conservation Area or state-owned accreted lands.

3 (2) Sale of sand from accretions shall be made to supply the needs
4 of cranberry growers for cranberry bogs in the vicinity and shall not
5 be prohibited if found by the commission to be reasonable, and not
6 generally harmful or destructive to the character of the land(~~(+
7 PROVIDED, That)~~). However, the commission may grant leases and permits
8 for the removal of sands for construction purposes from any lands
9 within the Seashore Conservation Area if found by the commission to be
10 reasonable and not generally harmful or destructive to the character of
11 the land(~~(+ PROVIDED FURTHER, That)~~). The net income from such leases
12 shall be deposited in the state parks renewal and stewardship account.

13 (3) For the 2003-05 fiscal biennium, at the request of the city of
14 Long Beach, the state parks and recreation commission shall convey to
15 the city of Long Beach all commission-owned lands lying between 5th
16 street southwest and 4th street northwest, and lying between 8th street
17 northwest and 14th street northwest, all lying between the 1889
18 ordinary high tide line (also known as the western boundary of upland
19 ownership) and the line of ordinary high tide of the Pacific ocean, and
20 all lying within sections 8 and 17, township 10 north, range 11, west,
21 W.M., Pacific county, Washington. The city of Long Beach must maintain
22 these lands for city park purposes, including open space, parks,
23 interpretive centers, or museums. The title, and any other documents
24 necessary for the transfer of these lands, will include covenants
25 ensuring that the city of Long Beach will maintain all conveyed land as
26 a city park. If the city of Long Beach breaches these covenants,
27 ownership of all park lands conveyed under this subsection reverts to
28 the state parks and recreation commission.

29 **Sec. 937.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to
30 read as follows:

31 There is created in the state treasury a public service revolving
32 fund. Regulatory fees payable by all types of public service companies
33 shall be deposited to the credit of the public service revolving fund.
34 Except for expenses payable out of the pipeline safety account, all
35 expense of operation of the Washington utilities and transportation
36 commission shall be payable out of the public service revolving fund.

1 During the ((2001-2003)) 2003-2005 fiscal biennium, the legislature
2 may transfer from the public service revolving fund to the state
3 general fund such amounts as reflect the ((~~appropriations reductions~~
4 ~~made by the 2002 supplemental appropriations act for administrative~~
5 ~~efficiencies and savings~~) excess fund balance of the fund.

6 **Sec. 938.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to
7 read as follows:

8 There is created in the state treasury a special account to be
9 known as the "county sales and use tax equalization account." Into
10 this account shall be placed a portion of all motor vehicle excise tax
11 receipts as provided in RCW 82.44.110. Funds in this account shall be
12 allocated by the state treasurer according to the following procedure:

13 (1) Prior to April 1st of each year the director of revenue shall
14 inform the state treasurer of the total and the per capita levels of
15 revenues for the unincorporated area of each county and the statewide
16 weighted average per capita level of revenues for the unincorporated
17 areas of all counties imposing the sales and use tax authorized under
18 RCW 82.14.030(1) for the previous calendar year.

19 (2) At such times as distributions are made under RCW 82.44.150,
20 the state treasurer shall apportion to each county imposing the sales
21 and use tax under RCW 82.14.030(1) at the maximum rate and receiving
22 less than one hundred fifty thousand dollars from the tax for the
23 previous calendar year, an amount from the county sales and use tax
24 equalization account sufficient, when added to the amount of revenues
25 received the previous calendar year by the county, to equal one hundred
26 fifty thousand dollars.

27 The department of revenue shall establish a governmental price
28 index as provided in this subsection. The base year for the index
29 shall be the end of the third quarter of 1982. Prior to November 1,
30 1983, and prior to each November 1st thereafter, the department of
31 revenue shall establish another index figure for the third quarter of
32 that year. The department of revenue may use the implicit price
33 deflators for state and local government purchases of goods and
34 services calculated by the United States department of commerce to
35 establish the governmental price index. Beginning on January 1, 1984,
36 and each January 1st thereafter, the one hundred fifty thousand dollar

1 base figure in this subsection shall be adjusted in direct proportion
2 to the percentage change in the governmental price index from 1982
3 until the year before the adjustment. Distributions made under this
4 subsection for 1984 and thereafter shall use this adjusted base amount
5 figure.

6 (3) Subsequent to the distributions under subsection (2) of this
7 section and at such times as distributions are made under RCW
8 82.44.150, the state treasurer shall apportion to each county imposing
9 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
10 receiving less than seventy percent of the statewide weighted average
11 per capita level of revenues for the unincorporated areas of all
12 counties as determined by the department of revenue under subsection
13 (1) of this section, an amount from the county sales and use tax
14 equalization account sufficient, when added to the per capita level of
15 revenues for the unincorporated area received the previous calendar
16 year by the county, to equal seventy percent of the statewide weighted
17 average per capita level of revenues for the unincorporated areas of
18 all counties determined under subsection (1) of this section, subject
19 to reduction under subsections (6) and (7) of this section. When
20 computing distributions under this section, any distribution under
21 subsection (2) of this section shall be considered revenues received
22 from the tax imposed under RCW 82.14.030(1) for the previous calendar
23 year.

24 (4) Subsequent to the distributions under subsection (3) of this
25 section and at such times as distributions are made under RCW
26 82.44.150, the state treasurer shall apportion to each county imposing
27 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
28 receiving a distribution under subsection (2) of this section, a third
29 distribution from the county sales and use tax equalization account.
30 The distribution to each qualifying county shall be equal to the
31 distribution to the county under subsection (2) of this section,
32 subject to the reduction under subsections (6) and (7) of this section.
33 To qualify for the total distribution under this subsection, the county
34 must impose the tax under RCW 82.14.030(2) for the entire calendar
35 year. Counties imposing the tax for less than the full year shall
36 qualify for prorated allocations under this subsection proportionate to
37 the number of months of the year during which the tax is imposed.

1 (5) Subsequent to the distributions under subsection (4) 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 (3) of this section, a fourth
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 (3) of this section,
9 subject to the reduction under subsections (6) and (7) of this section.
10 To qualify for the distributions under this subsection, the county must
11 impose the tax under RCW 82.14.030(2) for the entire calendar year.
12 Counties imposing the tax for less than the full year shall qualify for
13 prorated allocations under this subsection proportionate to the number
14 of months of the year during which the tax is imposed.

15 (6) Revenues distributed under subsections (2) through (5) of this
16 section in any calendar year shall not exceed an amount equal to
17 seventy percent of the statewide weighted average per capita level of
18 revenues for the unincorporated areas of all counties during the
19 previous calendar year. If distributions under subsections (3) through
20 (5) of this section cannot be made because of this limitation, then
21 distributions under subsections (3) through (5) of this section shall
22 be reduced ratably among the qualifying counties.

23 (7) If inadequate revenues exist in the county sales and use tax
24 equalization account to make the distributions under subsections (3)
25 through (5) of this section, then the distributions under subsections
26 (3) through (5) of this section shall be reduced ratably among the
27 qualifying counties. At such time during the year as additional funds
28 accrue to the county sales and use tax equalization account, additional
29 distributions shall be made under subsections (3) through (5) of this
30 section to the counties.

31 (8) If the level of revenues in the county sales and use tax
32 equalization account exceeds the amount necessary to make the
33 distributions under subsections (2) through (5) of this section, at
34 such times as distributions are made under RCW 82.44.150, the state
35 treasurer shall apportion an amount to the county public health account
36 created in RCW 70.05.125 equal to the adjustment under RCW
37 70.05.125(2)(b).

1 (9) If the level of revenues in the county sales and use tax
2 equalization account exceeds the amount necessary to make the
3 distributions under subsections (2) through (5) and (8) of this
4 section, then the additional revenues shall be credited and transferred
5 as follows:

6 (a) Fifty percent to the public facilities construction loan
7 revolving account under RCW 43.160.080; and

8 (b) Fifty percent to the distressed county public facilities
9 construction loan account under RCW 43.160.220, or so much thereof as
10 will not cause the balance in the account to exceed twenty-five million
11 dollars. Any remaining funds shall be deposited into the public
12 facilities construction loan revolving account.

13 (10) During the 2003-2005 fiscal biennium, the legislature may
14 transfer from the county sales and use tax equalization account to the
15 state general fund such amounts as reflect the excess fund balance of
16 the account.

17 **Sec. 939.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read
18 as follows:

19 There is created in the state treasury a special account to be
20 known as the "municipal sales and use tax equalization account." Into
21 this account shall be placed such revenues as are provided under RCW
22 82.44.110(1)(e). Funds in this account shall be allocated by the state
23 treasurer according to the following procedure:

24 (1) Prior to January 1st of each year the department of revenue
25 shall determine the total and the per capita levels of revenues for
26 each city and the statewide weighted average per capita level of
27 revenues for all cities imposing the sales and use tax authorized under
28 RCW 82.14.030(1) for the previous calendar year.

29 (2) At such times as distributions are made under RCW 82.44.150,
30 the state treasurer shall apportion to each city not imposing the sales
31 and use tax under RCW 82.14.030(2) an amount from the municipal sales
32 and use tax equalization account equal to the amount distributed to the
33 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

34 (3) Subsequent to the distributions under subsection (2) of this
35 section, and at such times as distributions are made under RCW
36 82.44.150, the state treasurer shall apportion to each city imposing

1 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
2 receiving less than seventy percent of the statewide weighted average
3 per capita level of revenues for all cities as determined by the
4 department of revenue under subsection (1) of this section, an amount
5 from the municipal sales and use tax equalization account sufficient,
6 when added to the per capita level of revenues received the previous
7 calendar year by the city, to equal seventy percent of the statewide
8 weighted average per capita level of revenues for all cities determined
9 under subsection (1) of this section, subject to reduction under
10 subsection (6) of this section.

11 (4) Subsequent to the distributions under subsection (3) of this
12 section, and at such times as distributions are made under RCW
13 82.44.150, the state treasurer shall apportion to each city imposing
14 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
15 receiving a distribution under subsection (3) of this section, a third
16 distribution from the municipal sales and use tax equalization account.
17 The distribution to each qualifying city shall be equal to the
18 distribution to the city under subsection (3) of this section, subject
19 to the reduction under subsection (6) of this section. To qualify for
20 the distributions under this subsection, the city must impose the tax
21 under RCW 82.14.030(2) for the entire calendar year. Cities imposing
22 the tax for less than the full year shall qualify for prorated
23 allocations under this subsection proportionate to the number of months
24 of the year during which the tax is imposed.

25 (5) For a city with an official incorporation date after January 1,
26 1990, municipal sales and use tax equalization distributions shall be
27 made according to the procedures in this subsection. Municipal sales
28 and use tax equalization distributions to eligible new cities shall be
29 made at the same time as distributions are made under subsections (3)
30 and (4) of this section. The department of revenue shall follow the
31 estimating procedures outlined in this subsection until the new city
32 has received a full year's worth of revenues under RCW 82.14.030(1) as
33 of the January municipal sales and use tax equalization distribution.

34 (a) Whether a newly incorporated city determined to receive funds
35 under this subsection receives its first equalization payment at the
36 January, April, July, or October municipal sales and use tax

1 equalization distribution shall depend on the date the city first
2 imposes the tax authorized under RCW 82.14.030(1).

3 (i) A newly incorporated city imposing the tax authorized under RCW
4 82.14.030(1) effective as of January 1st shall be eligible to receive
5 funds under this subsection beginning with the April municipal sales
6 and use tax equalization distribution of that year.

7 (ii) A newly incorporated city imposing the tax authorized under
8 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
9 shall be eligible to receive funds under this subsection beginning with
10 the July municipal sales and use tax equalization distribution of that
11 year.

12 (iii) A newly incorporated city imposing the tax authorized under
13 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
14 be eligible to receive funds under this subsection beginning with the
15 October municipal sales and use tax equalization distribution of that
16 year.

17 (iv) A newly incorporated city imposing the tax authorized under
18 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
19 1st shall be eligible to receive funds under this subsection beginning
20 with the January municipal sales and use tax equalization distribution
21 of the next year.

22 (v) A newly incorporated city imposing the tax authorized under RCW
23 82.14.030(1) effective as of November 1st or December 1st shall be
24 eligible to receive funds under this subsection beginning with the
25 April municipal sales and use tax equalization distribution of the next
26 year.

27 (b) For purposes of calculating the amount of funds the new city
28 should receive under this subsection, the department of revenue shall:

29 (i) Estimate the per capita amount of revenues from the tax
30 authorized under RCW 82.14.030(1) that the new city would have received
31 had the city received revenues from the tax the entire calendar year;

32 (ii) Calculate the amount provided under subsection (3) of this
33 section based on the per capita revenues determined under (b)(i) of
34 this subsection;

35 (iii) Prorate the amount determined under (b)(ii) of this
36 subsection by the number of months the tax authorized under RCW
37 82.14.030(1) is imposed.

1 (c) A new city imposing the tax under RCW 82.14.030(2) at the
2 maximum rate and receiving a distribution calculated under (b) of this
3 subsection shall receive another distribution from the municipal sales
4 and use tax equalization account. This distribution shall be equal to
5 the calculation made under (b)(ii) of this subsection, prorated by the
6 number of months the city imposes the tax authorized under RCW
7 82.14.030(2) at the full rate.

8 (d) The department of revenue shall advise the state treasurer of
9 the amounts calculated under (b) and (c) of this subsection and the
10 state treasurer shall distribute these amounts to the new city from the
11 municipal sales and use tax equalization account subject to the
12 limitations imposed in subsection (6) of this section.

13 (e) Revenues estimated under this subsection shall not affect the
14 calculation of the statewide weighted average per capita level of
15 revenues for all cities made under subsection (1) of this section.

16 (6) If inadequate revenues exist in the municipal sales and use tax
17 equalization account to make the distributions under subsection (3),
18 (4), or (5) of this section, then the distributions under subsections
19 (3), (4), and (5) of this section shall be reduced ratably among the
20 qualifying cities. At such time during the year as additional funds
21 accrue to the municipal sales and use tax equalization account,
22 additional distributions shall be made under subsections (3), (4), and
23 (5) of this section to the cities.

24 (7) If the level of revenues in the municipal sales and use tax
25 equalization account exceeds the amount necessary to make the
26 distributions under subsections (2) through (5) of this section, then
27 the additional revenues shall be apportioned among the several cities
28 within the state ratably on the basis of population as last determined
29 by the office of financial management: PROVIDED, That no such
30 distribution shall be made to those cities receiving a distribution
31 under subsection (2) of this section.

32 (8) During the 2003-2005 fiscal biennium, the legislature may
33 transfer from the municipal sales and use tax equalization account to
34 the state general fund such amounts as reflect the excess fund balance
35 in the account.

1 **Sec. 940.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to
2 read as follows:

3 The flood control assistance account is hereby established in the
4 state treasury. At the beginning of the 1997-99 fiscal biennium and
5 each biennium thereafter the state treasurer shall transfer four
6 million dollars from the general fund to the flood control assistance
7 account. Moneys in the flood control assistance account may be spent
8 only after appropriation for purposes specified under this chapter
9 (~~or, during the 1997-99 fiscal biennium, for transfer to the disaster~~
10 ~~response account~~). During the 2003-2005 fiscal biennium, the
11 legislature may transfer from the flood control assistance account to
12 the state general fund such amounts as reflect the excess fund balance
13 of the account.

14 NEW SECTION. **Sec. 941.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 942.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

(End of part)

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1 Correct the title.

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