

**ESSB 5404** - H AMD TO APP COMM AMD (H-2882.4/03) **519**  
By Representative Sommers

ADOPTED 04/26/2003

1 Strike everything after page 1, line 2 of the amendment and insert  
2 the following:

3 "PART I  
4 GENERAL GOVERNMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**  
22 **COMMITTEE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (2) \$1,813,000 of the general fund--state appropriation for fiscal  
13 year 2004 and \$1,562,000 of the general fund--state appropriation for  
14 fiscal year 2005 are provided solely for the implementation of  
15 Engrossed Substitute Senate Bill No. 5990 (supervision of offenders) or  
16 Engrossed Substitute Senate Bill No. 6002 (financial obligations). If  
17 neither bill is enacted by June 30, 2003, the amounts provided in this  
18 subsection shall lapse. Of the amounts provided in this subsection:

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

23 (b) \$1,000,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$800,000 of the general fund--state appropriation of  
25 \$800,000 for fiscal year 2005 are provided solely for distribution to  
26 the county clerks for the collection of legal financial obligations.  
27 The funding shall be distributed by the office of the administrator for  
28 the courts to the county clerks, in accordance with the funding formula  
29 determined by the Washington association of county officials pursuant  
30 to Senate Bills No. 5990 or 6002.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22	General Fund--State Appropriation (FY 2004) . . . . .	\$3,845,000
23	General Fund--State Appropriation (FY 2005) . . . . .	\$3,748,000
24	General Fund--Federal Appropriation . . . . .	\$1,144,000
25	Water Quality Account--State	
26	Appropriation . . . . .	\$3,872,000
27	TOTAL APPROPRIATION . . . . .	\$12,609,000

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

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

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

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

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

4	General Fund--State Appropriation (FY 2004) . . . . .	\$548,000
5	General Fund--State Appropriation (FY 2005) . . . . .	\$548,000
6	TOTAL APPROPRIATION . . . . .	\$1,096,000

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

8	General Fund--State Appropriation (FY 2004) . . . . .	\$1,796,000
9	General Fund--State Appropriation (FY 2005) . . . . .	\$1,777,000
10	TOTAL APPROPRIATION . . . . .	\$3,573,000

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

12	General Fund--State Appropriation (FY 2004) . . . . .	\$23,401,000
13	General Fund--State Appropriation (FY 2005) . . . . .	\$17,479,000
14	General Fund--Federal Appropriation . . . . .	\$6,977,000
15	Archives and Records Management Account--State	
16	Appropriation . . . . .	\$8,549,000
17	Department of Personnel Service Account--State	
18	Appropriation . . . . .	\$717,000
19	Election Account--Federal Appropriation . . . . .	\$13,121,000
20	Local Government Archives Account--State Appropriation . .	\$2,345,000
21	TOTAL APPROPRIATION . . . . .	\$72,589,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30	General Fund--State Appropriation (FY 2004) . . . . .	\$1,206,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$1,407,000
32	State Auditing Services Revolving Account--State	
33	Appropriation . . . . .	\$12,892,000

1 TOTAL APPROPRIATION . . . . . \$15,505,000

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

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

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

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

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

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

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

30 General Fund--State Appropriation (FY 2004) . . . . . \$4,083,000  
31 General Fund--State Appropriation (FY 2005) . . . . . \$4,139,000  
32 General Fund--Federal Appropriation . . . . . \$2,857,000  
33 Public Safety and Education Account--State  
34 Appropriation . . . . . \$1,824,000  
35 Tobacco Prevention and Control Account--State

1	Appropriation . . . . .	\$270,000
2	New Motor Vehicle Arbitration Account--State	
3	Appropriation . . . . .	\$1,184,000
4	Legal Services Revolving Account--State	
5	Appropriation . . . . .	\$166,171,000
6	TOTAL APPROPRIATION . . . . .	\$180,528,000

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

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

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

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

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

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

3	General Fund--State Appropriation (FY 2004) . . . . .	\$63,587,000
4	General Fund--State Appropriation (FY 2005) . . . . .	\$58,905,000
5	General Fund--Federal Appropriation . . . . .	\$198,410,000
6	General Fund--Private/Local Appropriation . . . . .	\$10,598,000
7	Public Safety and Education Account--State	
8	Appropriation . . . . .	\$5,905,000
9	Public Works Assistance Account--State	
10	Appropriation . . . . .	\$1,929,000
11	Building Code Council Account--State	
12	Appropriation . . . . .	\$1,065,000
13	Administrative Contingency Account--State	
14	Appropriation . . . . .	\$1,774,000
15	Low-Income Weatherization Assistance Account--State	
16	Appropriation . . . . .	\$3,293,000
17	Violence Reduction and Drug Enforcement Account--	
18	State Appropriation . . . . .	\$6,048,000
19	Manufactured Home Installation Training Account--	
20	State Appropriation . . . . .	\$258,000
21	Community Economic Development Account--	
22	State Appropriation . . . . .	\$1,909,000
23	Washington Housing Trust Account--State	
24	Appropriation . . . . .	\$16,770,000
25	Public Facility Construction Loan Revolving	
26	Account--State Appropriation . . . . .	\$626,000
27	Lead Paint Account--State Appropriation . . . . .	\$6,000
28	TOTAL APPROPRIATION . . . . .	\$371,083,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (10) \$800,000 of the general fund--federal appropriation and \$6,000  
13 of the lead paint account--state appropriation are provided solely to  
14 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).  
15 If the bill is not enacted by June 30, 2003, the amounts provided in  
16 this subsection shall lapse.

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

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

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

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

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

1 (16) \$600,000 of the public safety and education account  
2 appropriation is provided solely for sexual assault prevention and  
3 treatment programs.

4 (17) \$65,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$65,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for a contract with a food  
7 distribution program for communities in the southwestern portion of the  
8 state and for workers impacted by timber and salmon fishing closures  
9 and reductions. The department may not charge administrative overhead  
10 or expenses to the funds provided in this subsection.

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

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

27 (20) \$4,000,000 of the general fund--state appropriation for fiscal  
28 year 2004 is provided solely for the Port of Columbia for industrial  
29 development promotion purposes, as that term is used in Article VIII,  
30 section 8 of the Washington state Constitution, for the acquisition of  
31 food processing equipment for use by one or more private entities.

32 (21) Amounts appropriated within this section are sufficient to  
33 implement the establishment of aviation mitigation zones in accordance  
34 with House Bill No. 2276 (aviation mitigation zones).

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

1 **COUNCIL**

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

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

6	General Fund--State Appropriation (FY 2004) . . . . .	\$14,057,000
7	General Fund--State Appropriation (FY 2005) . . . . .	\$13,378,000
8	General Fund--Federal Appropriation . . . . .	\$23,508,000
9	Violence Reduction and Drug Enforcement	
10	Account--State Appropriation . . . . .	\$242,000
11	State Auditing Services Revolving	
12	Account--State Appropriation . . . . .	\$25,000
13	TOTAL APPROPRIATION . . . . .	\$51,210,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (7) By November 15, 2003, the office of financial management shall  
37 report to the house of representatives committees on appropriations,

1 capital budget, and transportation and to the senate committees on ways  
2 and means and highways and transportation on the ten general priorities  
3 of government upon which the 2005-07 biennial budgets will be  
4 structured. Each priority must include a proposed set of cross agency  
5 activities with definitions and outcome measures. For historical  
6 comparisons, the 2001-03 expenditures and 2003-05 appropriations must  
7 be restated in this format and organized by priority, activity, fund  
8 source, and agency.

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

12 NEW SECTION. **Sec. 130. FOR THE DEPARTMENT OF PERSONNEL**  
13 Department of Personnel Service Account--State  
14 Appropriation . . . . . \$16,355,000  
15 Higher Education Personnel Services Account--State  
16 Appropriation . . . . . \$1,601,000  
17 TOTAL APPROPRIATION . . . . . \$17,956,000

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

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

29 The appropriation in this section is subject to the following  
30 conditions and limitations: Within the funds appropriated in this  
31 section, the lottery commission shall provide administrative support to  
32 assist a task force to examine possible means to enhance state revenue  
33 from gaming as follows:

- 34 (1) The task force shall consist of the following members:

- 1 (a) One member from each of the two largest caucuses of the senate,
- 2 appointed by the president of the senate;
- 3 (b) One member from each of the two largest caucuses of the house
- 4 of representatives, appointed by the speaker of the house of
- 5 representatives;
- 6 (c) The executive director of the Washington state lottery;
- 7 (d) The executive director of the Washington state gambling
- 8 commission; and
- 9 (e) The governor's designee.

10 (2) The task force shall report its findings on possible means to  
 11 enhance state revenue from gaming to the senate commerce and trade  
 12 committee, the senate ways and means committee, the house of  
 13 representatives commerce and labor committee, the house of  
 14 representatives finance committee, and the house of representatives  
 15 appropriations committee by January 5, 2004.

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

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

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

21 **AFFAIRS**

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

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

26	Department of Personnel Service Account--State	
27	Appropriation . . . . .	\$1,729,000

28 **NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**

29 **OPERATIONS**

30	Dependent Care Administrative Account--State	
31	Appropriation . . . . .	\$386,000
32	Department of Retirement Systems Expense Account--	
33	State Appropriation . . . . .	\$45,825,000

1 TOTAL APPROPRIATION . . . . . \$46,211,000

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

4 (1) \$31,000 of the retirement systems expense account appropriation  
5 is provided solely to implement House Bill No. 1519 (unreduced duty  
6 death survivor benefits). If the bill is not enacted by June 30, 2003,  
7 the amount provided in this subsection shall lapse.

8 (2) \$1,678,000 of the retirement systems expense account  
9 appropriation is provided solely to implement House Bill No. 2197 (law  
10 enforcement officers' and fire fighters' plan 2 board implementation).  
11 If the bill is not enacted by June 30, 2003, the amount provided in  
12 this subsection shall lapse.

13 (3) \$2,083,000 of the retirement systems expense account  
14 appropriation is provided solely for the support of the information  
15 systems project known as the electronic document image management  
16 system.

17 (4) \$124,000 of the department of retirement systems expense  
18 account--state appropriation is provided solely to implement House Bill  
19 No. 1203 (substitute employees' retirement credit). If the bill is not  
20 enacted by June 30, 2003, the amount provided in this subsection shall  
21 lapse.

22 (5) \$77,000 of the department of retirement systems expense  
23 account--state appropriation is provided solely to implement Senate  
24 Bill No. 5100 (fallen hero survivor benefits). If the bill is not  
25 enacted by June 30, 2003, the amount provided in this subsection shall  
26 lapse.

27 (6) \$21,000 of the department of retirement systems expense  
28 account--state appropriation is provided solely to implement House Bill  
29 No. 1206 (plan 3 contributions). If the bill is not enacted by June  
30 30, 2003, the amount provided in this subsection shall lapse.

31 (7) \$30,000 of the department of retirement systems expense  
32 account--state appropriation is provided solely to implement House Bill  
33 No. 1207 (employee death benefits). If the bill is not enacted by June  
34 30, 2003, the amount provided in this subsection shall lapse.

35 (8) \$528,000 of the department of retirement systems expense  
36 account--state appropriation is provided solely to implement Substitute

1 House Bill No. 1829 (retire-rehire reform). If the bill is not enacted  
2 by June 30, 2003, the amount provided in this subsection shall lapse.

3 (9) \$125,000 of the department of retirement systems expense  
4 account--state appropriation is provided solely to implement Substitute  
5 House Bill No. 1202 (emergency medical technicians' retirement). If  
6 the bill is not enacted by June 30, 2003, the amount provided in this  
7 subsection shall lapse.

8 (10) \$358,000 of the department of retirement systems expense  
9 account--state appropriation is provided solely to implement Engrossed  
10 Substitute House Bill No. 2180 (early retirement incentives). If the  
11 bill is not enacted by June 30, 2003, the amount provided in this  
12 subsection shall lapse.

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

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

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

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

31	General Fund--State Appropriation (FY 2004) . . . . .	\$82,778,000
32	General Fund--State Appropriation (FY 2005) . . . . .	\$82,347,000
33	Timber Tax Distribution Account--State	
34	Appropriation . . . . .	\$5,215,000
35	Waste Education/Recycling/Litter Control--State	

1	Appropriation . . . . .	\$101,000
2	State Toxics Control Account--State	
3	Appropriation . . . . .	\$67,000
4	Oil Spill Administration Account--State	
5	Appropriation . . . . .	\$14,000
6	TOTAL APPROPRIATION . . . . .	\$170,522,000

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

9 (1) \$93,000 of the general fund--state appropriation for fiscal  
10 year 2004 and \$210,000 of the general fund--state appropriation for  
11 fiscal year 2005 are provided solely to implement House Bill No. 1863  
12 (implementation of the streamlined sales tax agreement). If the bill  
13 is not enacted by June 30, 2003, the amounts provided in this  
14 subsection shall lapse.

15 (2) \$104,000 of the general fund--state appropriation for fiscal  
16 year 2004 is provided solely for the implementation of Engrossed House  
17 Bill No. 2030 (B&O tax uniformity). If the bill is not enacted by June  
18 30, 2003, the amount provided in this subsection shall lapse.

19 (3) Amounts appropriated within this section are sufficient to  
20 develop a noise exposure map in accordance with House Bill No. 2276  
21 (aviation mitigation zones).

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

23	General Fund--State Appropriation (FY 2004) . . . . .	\$1,143,000
24	General Fund--State Appropriation (FY 2005) . . . . .	\$990,000
25	TOTAL APPROPRIATION . . . . .	\$2,133,000

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

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

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

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

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

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

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

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

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

18	General Fund--State Appropriation (FY 2004) . . . . .	\$195,000
19	General Fund--State Appropriation (FY 2005) . . . . .	\$277,000
20	General Fund--Federal Appropriation . . . . .	\$3,217,000
21	General Administration Services Account--State	
22	Appropriation . . . . .	\$38,030,000
23	TOTAL APPROPRIATION . . . . .	\$41,719,000

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

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

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

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

33       The appropriations in this section are subject to the following

1 conditions and limitations: \$557,000 of the insurance commissioner's  
2 regulatory account--state appropriation is provided solely for a Health  
3 Care Access Options Working Group.

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

21 (2) The health care access options working group shall examine the  
22 privately and publicly funded health care insurance system in the state  
23 of Washington and develop recommendations for its improvement.  
24 Recommendations shall address appropriate levels and delivery of health  
25 services in Washington, and access to health services in underserved  
26 areas of Washington. The working group shall examine and provide  
27 recommendations related to the extent to which employees of large and  
28 small employers are electing to enroll in the basic health plan or the  
29 medicaid program rather than employer sponsored health insurance,  
30 thereby contributing to increases in state health care costs. In  
31 preparing its recommendations the working group shall: Review health  
32 insurance laws in other states that are providing greater choice, have  
33 more insurance carriers offering health insurance, and greater price  
34 flexibility as compared to Washington state; seek input from a broad  
35 range of health care stakeholders and the public; seek grant funds for  
36 a community meeting process, and coordinate its efforts with similar  
37 ongoing community processes; and review the recommendations of previous

1 health care system analyses. The working group shall report its  
2 findings and recommendations to the legislature and the governor no  
3 later than January 1, 2005.

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

5 Certified Public Accountants' Account--State

6 Appropriation . . . . . \$1,985,000

7 The appropriation in this section is subject to the following  
8 conditions and limitations: \$351,000 of the certified public  
9 accountants' account appropriation is provided solely for the  
10 implementation of Substitute House Bill No. 1211 (public accountancy  
11 act). If the bill is enacted by June 30, 2003, the board may increase  
12 fees during the 2003-05 fiscal biennium in excess of the fiscal growth  
13 factor as provided in RCW 43.135.055, if the increases are necessary to  
14 fully fund the cost of administering the bill. If the bill is not  
15 enacted by June 30, 2003, the amount provided shall lapse.

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

17 Death Investigations Account--State

18 Appropriation . . . . . \$274,000

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

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

28 Horse Racing Commission Account--State

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

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

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

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

33 Liquor Control Board Construction and Maintenance

1	Account--State Appropriation . . . . .	\$5,717,000
2	Liquor Revolving Account--State	
3	Appropriation . . . . .	\$134,274,000
4	TOTAL APPROPRIATION . . . . .	\$142,910,000

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

7 (1) \$2,000,000 of the liquor revolving account appropriation is  
8 provided solely for the costs associated with the completion of the  
9 merchandising business system. Actual expenditures are limited to the  
10 balance of funds remaining from the \$4,803,000 appropriation provided  
11 for the merchandise business system in the 2001-03 budget.

12 (2) \$1,309,000 of the liquor revolving account appropriation is  
13 provided solely for the costs associated with purchasing merchandise  
14 business system software and hardware-related items, and hiring system-  
15 related staff.

16 (3) By July 1, 2003, the board shall expand operations in at least  
17 fifty state-operated retail stores to include Sundays. The board shall  
18 select the stores that are expected to gross the most revenues on  
19 Sunday. The selected stores shall be open for retail business a  
20 minimum of five hours on Sunday. The board shall track gross sales and  
21 expenses of the selected stores and compare them to previous years'  
22 sales and projected sales and expenses before opening on Sunday. The  
23 board shall present this information to the appropriate policy and  
24 fiscal committees of the legislature by January 31, 2004. The board  
25 shall not raise retail prices pursuant to RCW 66.16.010 beyond the  
26 surcharges and percentage markup in effect on January 1, 2003, until  
27 the board has implemented this subsection.

28 NEW SECTION. **Sec. 148. FOR THE UTILITIES AND TRANSPORTATION**  
29 **COMMISSION**

30	Public Service Revolving Account--State	
31	Appropriation . . . . .	\$26,611,000
32	Pipeline Safety Account--State	
33	Appropriation . . . . .	\$2,809,000
34	Pipeline Safety Account--Federal	
35	Appropriation . . . . .	\$1,084,000
36	TOTAL APPROPRIATION . . . . .	\$30,504,000

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

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

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

9 (3) \$135,000 of the public services revolving account appropriation  
10 and \$15,000 of the pipeline safety account--state appropriation are  
11 provided solely for the implementation of the commission's financial  
12 systems project. If final approval for the project is not granted by  
13 the office of financial management, the amounts provided in this  
14 subsection shall lapse.

15 (4) \$200,000 of the public services revolving account appropriation  
16 is provided solely for an interagency transfer to the joint legislative  
17 audit and review committee for the implementation of Substitute House  
18 Bill No. 1013 (UTC performance audit). If the bill is not enacted by  
19 June 30, 2003, the amount provided in this subsection shall lapse.

20 NEW SECTION. **Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**  
21 Volunteer Firefighters' Relief and Pension  
22 Administrative Account--State  
23 Appropriation . . . . . \$699,000

24 NEW SECTION. **Sec. 150. FOR THE MILITARY DEPARTMENT**  
25 General Fund--State Appropriation (FY 2004) . . . . . \$8,524,000  
26 General Fund--State Appropriation (FY 2005) . . . . . \$8,261,000  
27 General Fund--Federal Appropriation . . . . . \$82,112,000  
28 General Fund--Private/Local Appropriation . . . . . \$371,000  
29 Enhanced 911 Account--State Appropriation . . . . . \$33,959,000  
30 Disaster Response Account--State Appropriation . . . . . \$190,000  
31 Worker and Community Right to Know Fund--State  
32 Appropriation . . . . . \$290,000  
33 Nisqually Earthquake Account--State  
34 Appropriation . . . . . \$13,129,000  
35 Nisqually Earthquake Account--Federal

1	Appropriation . . . . .	\$48,726,000
2	TOTAL APPROPRIATION . . . . .	\$195,562,000

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

5 (1) \$100,000 of the general fund--state fiscal year 2004  
6 appropriation and \$100,000 of the general fund--state fiscal year 2005  
7 appropriation are provided solely for implementation of the conditional  
8 scholarship program pursuant to chapter 28B.103 RCW.

9 (2) \$35,000 of the general fund--state fiscal year 2004  
10 appropriation and \$35,000 of the general fund--state fiscal year 2005  
11 appropriation are provided solely for the north county emergency  
12 medical service.

13 (3) \$190,000 of the disaster response account--state appropriation  
14 is provided solely to develop and implement a disaster grant management  
15 system. The military department shall also submit a report quarterly  
16 to the office of financial management and the legislative fiscal  
17 committees detailing information on the disaster response account,  
18 including: (a) The amount and type of deposits into the account; (b)  
19 the current available fund balance as of the reporting date; and (c)  
20 the projected fund balance at the end of the 2003-05 biennium based on  
21 current revenue and expenditure patterns.

22 (4) \$10,129,000 of the Nisqually earthquake account--state  
23 appropriation and \$48,726,000 of the Nisqually earthquake account--  
24 federal appropriation are provided solely for response and recovery  
25 costs associated with the February 28, 2001, earthquake. The military  
26 department shall submit a report quarterly to the office of financial  
27 management and the legislative fiscal committees detailing earthquake  
28 recovery costs, including: (a) Estimates of total costs; (b)  
29 incremental changes from the previous estimate; (c) actual  
30 expenditures; (d) estimates of total remaining costs to be paid; and  
31 (e) estimates of future payments by biennium. This information shall  
32 be displayed by fund, by type of assistance, and by amount paid on  
33 behalf of state agencies or local organizations. The military  
34 department shall also submit a report quarterly to the office of  
35 financial management and the legislative fiscal committees detailing  
36 information on the Nisqually earthquake account, including: (a) The  
37 amount and type of deposits into the account; (b) the current available

1 fund balance as of the reporting date; and (c) the projected fund  
2 balance at the end of the 2003-05 biennium based on current revenue and  
3 expenditure patterns.

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

15 (6) \$200,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$53,555,000 of the general fund--federal appropriation  
17 are provided solely for homeland security, to be distributed as  
18 follows:

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

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

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

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

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

36 (f) \$39,917,000 of the general fund--federal appropriation for

1 other anticipated homeland security needs. This amount shall not be  
2 allotted until a spending plan is approved by the governor's domestic  
3 security advisory group and the office of financial management;

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

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

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

20 NEW SECTION. **Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS**  
21 **COMMISSION**

22	General Fund--State Appropriation (FY 2004) . . . . .	\$2,376,000
23	General Fund--State Appropriation (FY 2005) . . . . .	\$2,410,000
24	Department of Personnel Service Account--State	
25	Appropriation . . . . .	\$2,545,000
26	TOTAL APPROPRIATION . . . . .	\$7,331,000

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

28	General Fund--State Appropriation (FY 2004) . . . . .	\$1,561,000
29	General Fund--State Appropriation (FY 2005) . . . . .	\$1,497,000
30	TOTAL APPROPRIATION . . . . .	\$3,058,000

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

32	State Convention and Trade Center Operating	
33	Account--State Appropriation . . . . .	\$40,705,000
34	State Convention and Trade Center Account--State	

1	Appropriation . . . . .	\$31,037,000
2	TOTAL APPROPRIATION . . . . .	\$71,742,000

(End of part)

PART II  
HUMAN SERVICES

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

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

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

NEW SECTION. **Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund--State Appropriation (FY 2004)	\$229,578,000
General Fund--State Appropriation (FY 2005)	\$232,801,000

1	General Fund--Federal Appropriation . . . . .	\$415,684,000
2	General Fund--Private/Local Appropriation . . . . .	\$400,000
3	Public Safety and Education Account--	
4	State Appropriation . . . . .	\$23,920,000
5	Violence Reduction and Drug Enforcement Account--	
6	State Appropriation . . . . .	\$5,640,000
7	TOTAL APPROPRIATION . . . . .	\$908,023,000

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

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

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

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

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

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

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

11 (5) The providers for the 31 HOPE beds shall be paid a \$1,000 base  
12 payment per bed per month, and reimbursed for the remainder of the bed  
13 cost only when the beds are occupied.

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

22 (7) \$50,000 of the fiscal year 2004 general fund--state  
23 appropriation and \$50,000 of the fiscal year 2005 general fund--state  
24 appropriation are provided solely for a street youth program in  
25 Spokane.

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

28	General Fund--State Appropriation (FY 2004) . . . . .	\$78,591,000
29	General Fund--State Appropriation (FY 2005) . . . . .	\$77,188,000
30	General Fund--Federal Appropriation . . . . .	\$12,689,000
31	General Fund--Private/Local Appropriation . . . . .	\$1,098,000
32	Juvenile Accountability Incentive	
33	Account--Federal Appropriation . . . . .	\$9,139,000
34	Public Safety and Education	
35	Account--State Appropriation . . . . .	\$6,092,000
36	Violence Reduction and Drug Enforcement Account--	

1	State Appropriation . . . . .	\$37,338,000
2	TOTAL APPROPRIATION . . . . .	\$222,135,000

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

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

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

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

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

1 (5) \$100,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$100,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely for a contract for expanded  
4 services of the teamchild project.

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

13 (7) \$3,566,000 of the general fund--state appropriation for fiscal  
14 year 2004, \$3,566,000 of the general fund--state appropriation for  
15 fiscal year 2005, and \$6,092,000 of the public safety and education  
16 account--state appropriation are provided solely for distribution to  
17 county juvenile court administrators to fund the costs of processing  
18 truancy, children in need of services, and at-risk youth petitions.  
19 The department shall not retain any portion of these funds to cover  
20 administrative or any other departmental costs. The department, in  
21 conjunction with the juvenile court administrators, shall develop an  
22 equitable funding distribution formula. The formula shall neither  
23 reward counties with higher than average per-petition processing costs  
24 nor shall it penalize counties with lower than average per-petition  
25 processing costs. The distributions made under this subsection and  
26 distributions from the county criminal justice assistance account made  
27 pursuant to section 801 of this act constitute appropriate  
28 reimbursement for costs for any new programs or increased level of  
29 service for purposes of RCW 43.135.060.

30 (8) Each fiscal year during the 2003-05 fiscal biennium, each  
31 county shall report the number of petitions processed and the total  
32 actual costs of processing truancy, children in need of services, and  
33 at-risk youth petitions. Counties shall submit the reports to the  
34 department no later than 45 days after the end of the fiscal year. The  
35 department shall electronically transmit this information to the chair  
36 and ranking minority member of the house of representatives  
37 appropriations committee and the senate ways and means committee no

1 later than 60 days after a fiscal year ends. These reports are deemed  
2 informational in nature and are not for the purpose of distributing  
3 funds.

4 (9) \$1,478,000 of the juvenile accountability incentive account--  
5 federal appropriation is provided solely for the continued  
6 implementation of a pilot program to provide for postrelease planning  
7 and treatment of juvenile offenders with co-occurring disorders.

8 (10) \$16,000 of the violence reduction and drug enforcement account  
9 appropriation is provided solely for the evaluation of the juvenile  
10 offender co-occurring disorder pilot program implemented pursuant to  
11 (9) of this section.

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

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

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

27 (14) \$261,000 of the general fund--state appropriation for fiscal  
28 year 2004 and \$820,000 of the general fund--state appropriation for  
29 fiscal year 2005 are provided solely to reimburse counties for local  
30 juvenile disposition alternatives implemented pursuant to Senate Bill  
31 No. 5903 (juvenile offender sentencing). The juvenile rehabilitation  
32 administration, in consultation with the juvenile court administrators,  
33 shall develop an equitable distribution formula for the funding  
34 provided in this subsection. The juvenile rehabilitation  
35 administration may adjust this funding level in the event that  
36 utilization rates of the disposition alternatives are lower than the  
37 level anticipated by the total appropriations to the juvenile

1 rehabilitation administration in this section. If the bill is not  
2 enacted by June 30, 2003, the amounts provided in this subsection shall  
3 lapse.

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

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

17 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

18	General Fund--State Appropriation (FY 2004) . . . . .	\$208,608,000
19	General Fund--State Appropriation (FY 2005) . . . . .	\$210,505,000
20	General Fund--Federal Appropriation . . . . .	\$387,270,000
21	General Fund--Local Appropriation . . . . .	\$1,970,000
22	TOTAL APPROPRIATION . . . . .	\$808,353,000

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

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

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

35 (c) \$4,222,000 of the general fund--state appropriation for fiscal  
36 year 2004, \$4,222,000 of the general fund--state appropriation for

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

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

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

1 percent in fiscal year 2005, if total funding to the regional support  
2 network would otherwise increase by less than those percentages under  
3 the new formula, and provided that the nonfederal share of the higher  
4 medicaid payment rate is provided by the regional support network from  
5 local funds.

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

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

30 (h) The department is authorized to develop an integrated health  
31 care program designed to slow the progression of illness and disability  
32 and better manage medicaid expenditures for the aged and disabled  
33 population. In accordance with the Washington medicaid integration  
34 partnership (WMIP), the department may combine and transfer such  
35 medicaid funds (including medical, long-term care, mental health, and  
36 substance abuse treatment) as may be necessary to finance a unified  
37 health care plan for the WMIP program enrollment. The state may

1 withhold from calculations of "available resources" as defined in RCW  
2 71.24.025 a sum equal to the capitated rate for individuals enrolled in  
3 this pilot program.

4 (2) INSTITUTIONAL SERVICES

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

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

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

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

18 (3) CIVIL COMMITMENT

19	General Fund--State Appropriation (FY 2004) . . . . .	\$27,666,000
20	General Fund--State Appropriation (FY 2005) . . . . .	\$32,027,000
21	TOTAL APPROPRIATION . . . . .	\$59,693,000

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

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

28 (b) \$300,000 of the general fund--state appropriation for fiscal  
29 year 2004 and \$300,000 of the general fund--state appropriation for  
30 fiscal year 2005 are provided solely for mitigation funding for  
31 jurisdictions affected by the placement of less restrictive alternative  
32 facilities for persons conditionally released from the special  
33 commitment center facility being constructed on McNeil Island. Of this  
34 amount, \$45,000 per year shall be provided to the city of Lakewood on  
35 September 1, 2003, and September 1, 2004, for police protection  
36 reimbursement at Western State Hospital and adjacent areas, up to

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

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

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

17 (5) PROGRAM SUPPORT  
 18 General Fund--State Appropriation (FY 2004) . . . . . \$3,746,000  
 19 General Fund--State Appropriation (FY 2005) . . . . . \$3,686,000  
 20 General Fund--Federal Appropriation . . . . . \$6,830,000  
 21 TOTAL APPROPRIATION . . . . . \$14,262,000

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

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

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

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

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

9 (1) COMMUNITY SERVICES

10	General Fund--State Appropriation (FY 2004) . . . . .	\$255,628,000
11	General Fund--State Appropriation (FY 2005) . . . . .	\$259,185,000
12	General Fund--Federal Appropriation . . . . .	\$430,411,000
13	Health Services Account--State	
14	Appropriation . . . . .	\$1,038,000
15	TOTAL APPROPRIATION . . . . .	\$946,262,000

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

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

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

35 (c) \$510,000 of the general fund--state appropriation for fiscal  
36 year 2004, \$784,000 of the general fund--state appropriation for fiscal

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

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

28 (e) The department shall increase its efforts to understand,  
29 manage, and control expenditure growth in the developmental  
30 disabilities programs. The appropriations in this section anticipate  
31 that the department implements a combination of cost containment and  
32 utilization strategies sufficient to reduce general fund--state costs  
33 by approximately \$5,000,000. The department shall report to the fiscal  
34 committees of the legislature by October 1, 2003, on its specific plans  
35 and semiannual targets for accomplishing these savings. The department  
36 shall report again to the fiscal committees by March 1, 2004, and by  
37 September 1, 2004, on actual performance relative to the semiannual

1 targets. If satisfactory progress is not being made to achieve these  
2 savings, the reports shall include recommendations for additional or  
3 alternative measures to control costs.

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

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 more 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) . . . . .	\$2,256,000
22	General Fund--State Appropriation (FY 2005) . . . . .	\$2,256,000
23	General Fund--Federal Appropriation . . . . .	\$2,975,000
24	Telecommunications Devices for the Hearing and	
25	Speech Impaired Account Appropriation . . . . .	\$1,782,000
26	TOTAL APPROPRIATION . . . . .	\$9,269,000

27 (4) SPECIAL PROJECTS

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

31	General Fund--State Appropriation (FY 2004) . . . . .	\$578,754,000
32	General Fund--State Appropriation (FY 2005) . . . . .	\$629,009,000
33	General Fund--Federal Appropriation . . . . .	\$1,241,853,000
34	General Fund--Private/Local Appropriation . . . . .	\$18,644,000
35	Health Services Account--State	

1	Appropriation . . . . .	\$4,888,000
2	TOTAL APPROPRIATION . . . . .	\$2,473,148,000

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

5 (1) The entire health services account appropriation, \$1,476,000 of  
6 the general fund--state appropriation for fiscal year 2004, \$1,476,000  
7 of the general fund--state appropriation for fiscal year 2005, and  
8 \$7,284,000 of the general fund--federal appropriation are provided  
9 solely for health care benefits for home care workers who are employed  
10 through state contracts for at least twenty hours per week. Premium  
11 payments for individual provider home care workers shall be made only  
12 to the subsidized basic health plan, and only for persons with incomes  
13 below 200 percent of the federal poverty level. Home care agencies may  
14 obtain coverage either through the basic health plan or through an  
15 alternative plan with substantially equivalent benefits.

16 (2) \$1,771,000 of the general fund--state appropriation for fiscal  
17 year 2004 and \$1,771,000 of the general fund--state appropriation for  
18 fiscal year 2005 are provided solely for operation of the volunteer  
19 chore services program.

20 (3) For purposes of implementing chapter 74.46 RCW, the weighted  
21 average nursing facility payment rate shall be no more than \$143.40 for  
22 fiscal year 2004, and no more than \$146.30 for fiscal year 2005. For  
23 all facilities, the direct care and operations component rates  
24 established in accordance with chapter 74.46 RCW shall be adjusted for  
25 economic trends and conditions by 3.0 percent effective July 1, 2003.

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

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

36 (6) In accordance with chapter 74.39 RCW, the department may

1 implement a medicaid waiver program for persons who do not qualify for  
2 such services as categorically needy, subject to federal approval and  
3 the following conditions and limitations:

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

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

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

16 (7) \$30,000 of the general fund--state appropriation for fiscal  
17 year 2004 and \$20,000 of the general fund--state appropriation for  
18 fiscal year 2005 are provided solely for payments to any nursing  
19 facility licensed under chapter 18.51 RCW which meets all of the  
20 following criteria: (a) The nursing home entered into an arm's length  
21 agreement for a facility lease prior to January 1, 1980; (b) the lessee  
22 purchased the leased nursing home after January 1, 1980; and (c) the  
23 lessor defaulted on its loan or mortgage for the assets of the home  
24 after January 1, 1991, and prior to January 1, 1992. Payments provided  
25 pursuant to this subsection shall not be subject to the settlement,  
26 audit, or rate-setting requirements contained in chapter 74.46 RCW.

27 (8) \$118,000 of the general fund--state appropriation for fiscal  
28 year 2004, \$118,000 of the general fund--state appropriation for fiscal  
29 year 2005, and \$236,000 of the general fund--federal appropriation are  
30 provided solely for the department to assess at least annually each  
31 elderly resident residing in residential habilitation centers and  
32 state-operated living alternatives to determine if the resident can be  
33 more appropriately served in a less restrictive setting.

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

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

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

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

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

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

17 (10) \$4,947,000 of the general fund--state appropriation for fiscal  
18 year 2005 and \$4,809,000 of the general fund--federal appropriation are  
19 provided solely to increase payments to agency home care providers from  
20 \$13.44 per hour to \$14.55 per hour on July 1, 2004. All but 11 cents  
21 per hour of the July 1, 2004, increase to agency providers shall be  
22 used to increase wages for direct care workers. The appropriations in  
23 this subsection also include the funds needed for the employer share of  
24 unemployment and social security taxes on the amount of the wage  
25 increase required by this subsection. The funds provided in this  
26 subsection may be transferred from the aging and adult services program  
27 to the developmental disabilities program to implement the increases.

28 (11) \$31,820,000 of the general fund--state appropriation for  
29 fiscal year 2004, \$65,638,000 of the general fund--state appropriation  
30 for fiscal year 2005, and \$96,118,000 of the general fund--federal  
31 appropriation are provided solely for the purposes of implementing the  
32 collective bargaining agreement between the home care quality authority  
33 and the exclusive bargaining representative of individual providers.  
34 These funds may be transferred from the aging and adult services  
35 program to various other programs within the department or to other  
36 agencies to implement the collective bargaining agreement.

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

3	General Fund--State Appropriation (FY 2004) . . . . .	\$419,432,000
4	General Fund--State Appropriation (FY 2005) . . . . .	\$409,145,000
5	General Fund--Federal Appropriation . . . . .	\$1,210,225,000
6	General Fund--Private/Local Appropriation . . . . .	\$33,880,000
7	TOTAL APPROPRIATION . . . . .	\$2,072,682,000

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

10           (1) \$273,652,000 of the general fund--state appropriation for  
11 fiscal year 2004, \$273,695,000 of the general fund--state appropriation  
12 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal  
13 appropriation are provided solely for all components of the WorkFirst  
14 program. Within the amounts provided for the WorkFirst program, the  
15 department 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; and

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           (2) \$45,639,000 of the general fund--state appropriation for fiscal  
34 year 2004 and \$39,335,000 of the general fund--state appropriation for  
35 fiscal year 2005 are provided solely for cash assistance and other  
36 services to recipients in the general assistance--unemployable program.  
37 Within these amounts, the department may expend funds for services that

1 assist recipients to reduce their dependence on public assistance,  
2 provided that expenditures for these services and cash assistance do  
3 not exceed the funds provided.

4 (3) \$1,436,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$1,436,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided for the department to assist in  
7 naturalization efforts for legal aliens whose eligibility for federal  
8 supplemental security income has expired. The department shall use  
9 funding previously spent on general assistance employment supports for  
10 these naturalization services.

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

18 (5) \$10,000,000 of the general fund--state appropriation for fiscal  
19 year 2004 is provided solely for one-time expenditures needed to meet  
20 the federally required level for state supplemental payments (SSP).  
21 The department may transfer a portion of this amount to other programs  
22 within the agency to accomplish this purpose. To the extent that the  
23 required expenditure level must be met by funding new services, one-  
24 time payments to all SSI clients currently not receiving state  
25 supplemental payments shall be provided. Individuals receiving one-  
26 time payments shall not become eligible for medical assistance under  
27 RCW 74.09.510 due solely to the receipt of SSI state supplemental  
28 payments.

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

31	General Fund--State Appropriation (FY 2004) . . . . .	\$35,439,000
32	General Fund--State Appropriation (FY 2005) . . . . .	\$35,440,000
33	General Fund--Federal Appropriation . . . . .	\$90,642,000
34	General Fund--Private/Local Appropriation . . . . .	\$630,000
35	Public Safety and Education Account--State	
36	Appropriation . . . . .	\$15,208,000

1	Criminal Justice Treatment Account--State	
2	Appropriation . . . . .	\$8,950,000
3	Violence Reduction and Drug Enforcement Account--	
4	State Appropriation . . . . .	\$47,523,000
5	TOTAL APPROPRIATION . . . . .	\$233,832,000

6       The appropriations in this section are subject to the following  
7 conditions and limitations:     \$966,197 of the general fund--state  
8 appropriation for fiscal year 2004 and \$966,197 of the general fund--  
9 state appropriation for fiscal year 2005 are provided solely for the  
10 parent child assistance program. The department shall contract with  
11 the University of Washington and community based providers in Spokane  
12 and Yakima for the provision of this program. For all contractors,  
13 indirect charges for administering the program shall not exceed ten  
14 percent of the total 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) . . . . .	\$1,157,343,000
18	General Fund--State Appropriation (FY 2005) . . . . .	\$1,245,383,000
19	General Fund--Federal Appropriation . . . . .	\$3,742,008,000
20	General Fund--Private/Local Appropriation . . . . .	\$239,930,000
21	Emergency Medical Services and Trauma Care Systems	
22	Trust Account--State Appropriation . . . . .	\$5,000,000
23	Health Services Account--State Appropriation . . . . .	\$889,419,000
24	TOTAL APPROPRIATION . . . . .	\$7,279,083,000

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

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

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

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

5 (4) \$999,000 of the health services account appropriation for  
6 fiscal year 2004, \$1,519,000 of the health services account  
7 appropriation for fiscal year 2005, and \$2,142,000 of the general  
8 fund--federal appropriation are provided solely for implementation of  
9 a "ticket to work" medicaid buy-in program for working persons with  
10 disabilities, operated in accordance with the following conditions:

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

13 (b) Participants shall participate in the cost of the program by  
14 paying (i) a monthly enrollment fee equal to fifty percent of any  
15 unearned income in excess of the medicaid medically needy standard; and  
16 (ii) a monthly premium equal to 5 percent of all unearned income, plus  
17 5 percent of all earned income after disregarding the first sixty-five  
18 dollars of monthly earnings, and half the remainder;

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

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

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

28 (6) Sufficient funds are appropriated in this section for the  
29 department to provide an adult dental benefit equivalent to  
30 approximately 75 percent of the dental benefit provided during the  
31 2001-03 biennium. The department shall establish the scope of services  
32 to be provided within the available funds in consultation with dental  
33 providers and consumer representatives.

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

1 (8) In accordance with RCW 74.46.625, \$52,057,000 of the fiscal  
2 year 2004 health services account appropriation, \$35,016,000 of the  
3 fiscal year 2005 health services account appropriation, and \$87,074,000  
4 of the general fund--federal appropriation are provided solely for  
5 supplemental payments to nursing homes operated by rural public  
6 hospital districts. The payments shall be conditioned upon (a) a  
7 contractual commitment by the association of public hospital districts  
8 and participating rural public hospital districts to make an  
9 intergovernmental transfer to the state treasurer, for deposit into the  
10 health services account, equal to at least 98 percent of the  
11 supplemental payments; and (b) a contractual commitment by the  
12 participating districts to not allow expenditures covered by the  
13 supplemental payments to be used for medicaid nursing home rate-  
14 setting. The participating districts shall retain no more than a total  
15 of \$3,500,000 for the 2003-05 biennium.

16 (9) \$14,616,000 of the health services account appropriation for  
17 fiscal year 2004, \$12,394,000 of the health services account  
18 appropriation for fiscal year 2005, and \$27,010,000 of the general  
19 fund--federal appropriation are provided solely for additional  
20 disproportionate share and medicare upper payment limit payments to  
21 public hospital districts.

22 The payments shall be conditioned upon a contractual commitment by  
23 the participating public hospital districts to make an  
24 intergovernmental transfer to the health services account equal to at  
25 least 91 percent of the additional payments. At least 28 percent of  
26 the amounts retained by the participating hospital districts shall be  
27 allocated to the state's teaching hospitals.

28 (10) \$20,000,000 of the general fund--state appropriation for  
29 fiscal year 2004, \$20,000,000 of the general fund--state appropriation  
30 for fiscal year 2005, and \$40,000,000 of the general fund--federal  
31 appropriation are provided solely for grants to providers serving a  
32 disproportionate share of low-income and uninsured patients. For  
33 purposes of this subsection, providers may include, but are not limited  
34 to, hospitals, physicians, and transportation providers. In developing  
35 a methodology for distributing grants to hospitals, the department may  
36 consider relative net financial margins of hospitals.

1 (11) The department shall coordinate with the health care authority  
2 and with community and migrant health clinics to actively assist  
3 children and immigrant adults not eligible for medicaid to enroll in  
4 the basic health plan.

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

8 (13) \$156,000 of the general fund--state appropriation for fiscal  
9 year 2004 and \$1,403,000 of the general fund--federal appropriation are  
10 provided solely for a study to assess alternatives for replacing the  
11 existing medicaid management information system. The department shall  
12 report to the information services board and to the fiscal committees  
13 of the legislature by December 1, 2003, on the anticipated costs and  
14 benefits of the major alternative approaches.

15 (14) The department is authorized to develop an integrated health  
16 care program designed to slow the progression of illness and disability  
17 and better manage medicaid expenditures for the aged and disabled  
18 population. In accordance with the Washington medicaid integration  
19 partnership (WMIP) the department may combine and transfer such  
20 medicaid funds (including medical, long-term care, mental health and  
21 substance abuse treatment) as may be necessary to finance a unified  
22 health care plan for the WMIP program enrollment. The state may  
23 withhold from calculations of "available resources" as defined in RCW  
24 71.24.025 a sum equal to the capitated rate for individuals enrolled in  
25 this pilot.

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

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

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

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

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

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

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

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

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

9	General Fund--State Appropriation (FY 2004) . . . . .	\$25,827,000
10	General Fund--State Appropriation (FY 2005) . . . . .	\$26,169,000
11	General Fund--Federal Appropriation . . . . .	\$45,539,000
12	General Fund--Private/Local Appropriation . . . . .	\$810,000
13	TOTAL APPROPRIATION . . . . .	\$98,345,000

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

16        \$153,000 of the general fund--state appropriation for fiscal year  
17        2004, \$747,000 of the general fund--state appropriation for 2005, and  
18        \$899,000 of the general fund--federal appropriation are provided solely  
19        for transition costs associated with the closure of Fircrest school as  
20        directed by Engrossed Senate Bill No. 5971 (residential habilitation  
21        centers). To minimize the disruption to the ongoing work plan of the  
22        developmental disabilities program, the department shall organize the  
23        Fircrest school closure and resident transition effort to report to the  
24        assistant secretary of the aging and disability services  
25        administration. Within the funds provided in this subsection, the  
26        department shall:

27        (1) Determine appropriate ways to maximize federal reimbursement  
28        during the closure of the facility;

29        (2) Negotiate with representatives of employees affected by the  
30        closure to determine strategies such as individual employment  
31        counseling through the department of personnel and employment security;  
32        retraining and placement into other state jobs; and ways to cover the  
33        costs of unemployment benefits.

34        (3) Examine opportunities for state employees to continue caring  
35        for clients by assisting them in setting up community residential

1 alternatives. In conducting the review, the department will examine  
2 efforts pursued by other states as part of institutional closure  
3 efforts.

4 (4) Provide recommendations to the appropriate committees of the  
5 legislature on ways to reduce operational costs at the remaining  
6 residential habilitation centers, paying particular attention to the  
7 following: (a) Direct and indirect staffing levels of an residential  
8 habilitation center skilled nursing facility as compared to a  
9 comparable private skilled nursing facility or state-operated skilled  
10 nursing facilities in other states; (b) the level of active treatment  
11 provided to clients residing in designated skilled nursing facility  
12 beds; and (c) overall staffing levels. The administration may use  
13 funds from the appropriation to authorize a contract for assistance.  
14 These recommendations will be included in the report provided in (e) of  
15 this subsection.

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

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

28 (7) The department shall consult with the city of Shoreline on the  
29 development of a master plan for the Fircrest property.

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

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

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

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

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

11            (1) \$6,000,000 of the health services account--state appropriation  
12 is provided solely to increase the number of persons not eligible for  
13 medicaid receiving dental care from nonprofit community clinics, and  
14 for interpreter services to support dental and medical services for  
15 persons for whom interpreters are not available from any other source.

16            (2) \$172,231,000 of the health services account--state  
17 appropriation is provided solely for expenditure in calendar year 2004  
18 and \$96,292,000 of the health services account--state appropriation is  
19 provided solely for expenditure in calendar year 2005 to subsidize  
20 enrollment for persons in the basic health plan. In order to maximize  
21 the number of enrollees that the appropriation in the subsection can  
22 support, the health care authority is directed to make modifications in  
23 the basic health plan that will reduce the actuarial value of basic  
24 health plan coverage. Modifications may include changes in enrollee  
25 premium obligations, enrollee cost-sharing, benefits, and incentives to  
26 access preventive services. The health care authority shall base its  
27 enrollment policies during the 2003-2005 biennium on its September 6,  
28 2001, administrative policy on basic health enrollment management.

29            (3) Within funds appropriated in this section and sections 205 and  
30 206 of this act, the health care authority shall continue to provide an  
31 enhanced basic health plan subsidy for foster parents licensed under  
32 chapter 74.15 RCW and workers in state-funded home care programs.  
33 Under this enhanced subsidy option, foster parents and home care  
34 workers with family incomes below 200 percent of the federal poverty  
35 level shall be allowed to enroll in the basic health plan at a cost of  
36 ten dollars per covered worker per month.

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

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

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

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

33 (6) Upon enactment of Engrossed Substitute House Bill No. 1299  
34 (state purchased health care) during the 2003 legislative session, the  
35 administrator, in coordination with the department of social and health  
36 services and the department of labor and industries shall undertake an  
37 evidence-based review and assessment of the effectiveness of spinal

1 cord stimulators and drug infusion pumps. In performing the  
2 assessment, the administrator and the departments shall consider the  
3 best available external clinical evidence derived from systematic  
4 research, and relevant coverage criteria and standards adopted by other  
5 federal and state health care programs.

6 (7) Within the amounts appropriated in this act, sufficient funding  
7 is provided for implementation of Second Substitute House Bill No. 1214  
8 (prescription drugs). In the event that neither Second Substitute  
9 House Bill No. 1214 nor Engrossed Substitute Senate Bill No. 5904 are  
10 enacted, the administrator shall:

11 (a) Adopt a preferred drug list, in consultation with a pharmacy  
12 and therapeutics advisory committee established by the administrator.  
13 The committee shall use an evidence-based process to evaluate the  
14 efficacy of prescription drugs, considering safety, efficacy,  
15 likelihood of compliance, outcomes, and any unique impacts on specific  
16 populations. For each therapeutic class reviewed, the committee must  
17 identify the prescription drugs determined to be most clinically  
18 effective, and if applicable, equally effective.

19 (b) Coordinate prescription drug purchasing by state purchased  
20 health care programs, using the preferred drug list as the basis for  
21 prescription drug purchasing. In administering prescription drug  
22 benefits under state purchased health care programs, agencies shall  
23 honor an endorsing prescriber's direction to dispense a prescription  
24 drug as written on the prescription order or to continue therapy with  
25 antipsychotic, antidepressant, chemotherapy, antiretroviral, or  
26 immunosuppressive drugs;

27 (c) Explore joint prescription drug purchasing opportunities with  
28 other states; and

29 (d) Establish drug utilization management policies and prescriber  
30 and consumer education policies for state purchased health care  
31 programs.

32 (8)(a) To maximize opportunities to decrease administrative burdens  
33 for providers and plans participating in state purchased health care  
34 programs, the administrator, the assistant secretary for the medical  
35 assistance administration of the department of social and health  
36 services, and the director of the department of labor and industries,

1 in collaboration with health carriers, health care providers, and the  
2 office of the insurance commissioner shall, within available resources,  
3 collectively:

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

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

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

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

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

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

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

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

31 (iv) Increase consistency with national and regional standards,  
32 including: Eliminating "local" billing codes wherever possible;  
33 adopting medicare's ambulatory patient classification system for  
34 outpatient hospital payments; and increasing the extent to which state  
35 agencies accept compliance with standards adopted by national managed  
36 care accreditation organizations as meeting agency requirements for  
37 managed care contractors; and

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

7 (c) \$39,000 of the general fund--state appropriation for fiscal  
 8 year 2004 and \$37,000 of the general fund--state appropriation for  
 9 fiscal year 2005 are provided solely for administrative costs  
 10 associated with providing health insurance coverage to state-funded  
 11 individual providers through the basic health plan or an equivalent  
 12 health plan determined by the terms of the collective bargaining  
 13 agreement between the home care quality authority and the exclusive  
 14 bargaining representative of individual providers. If an equivalent  
 15 health plan is purchased under the terms of the collective bargaining  
 16 agreement, the health care authority shall transfer the funds in this  
 17 appropriation to the department of social and health services.

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

19	General Fund--State Appropriation (FY 2004) . . . . .	\$2,376,000
20	General Fund--State Appropriation (FY 2005) . . . . .	\$2,415,000
21	General Fund--Federal Appropriation . . . . .	\$1,523,000
22	General Fund--Private/Local Appropriation . . . . .	\$100,000
23	TOTAL APPROPRIATION . . . . .	\$6,414,000

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

25 **APPEALS**

26	Worker and Community Right-to-Know Account--State	
27	Appropriation . . . . .	\$20,000
28	Accident Account--State Appropriation . . . . .	\$15,129,000
29	Medical Aid Account--State Appropriation . . . . .	\$15,128,000
30	TOTAL APPROPRIATION . . . . .	\$30,277,000

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

32 **COMMISSION**

33	Municipal Criminal Justice Assistance Account--	
34	Local Appropriation . . . . .	\$460,000

1	Death Investigations Account--State	
2	Appropriation . . . . .	\$148,000
3	Public Safety and Education Account--State	
4	Appropriation . . . . .	\$17,854,000
5	TOTAL APPROPRIATION . . . . .	\$18,462,000

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

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

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

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

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

24	General Fund--State Appropriation (FY 2004) . . . . .	\$5,878,000
25	General Fund--State Appropriation (FY 2005) . . . . .	\$5,876,000
26	Public Safety and Education Account--State	
27	Appropriation . . . . .	\$22,429,000
28	Public Safety and Education Account--Federal	
29	Appropriation . . . . .	\$8,462,000
30	Asbestos Account--State Appropriation . . . . .	\$693,000
31	Electrical License Account--State	
32	Appropriation . . . . .	\$29,047,000
33	Farm Labor Revolving Account--Private/Local	
34	Appropriation . . . . .	\$28,000
35	Worker and Community Right-to-Know Account--State	
36	Appropriation . . . . .	\$2,548,000

1	Public Works Administration Account--State	
2	Appropriation . . . . .	\$2,435,000
3	Accident Account--State Appropriation . . . . .	\$189,517,000
4	Accident Account--Federal Appropriation . . . . .	\$13,398,000
5	Medical Aid Account--State Appropriation . . . . .	\$188,431,000
6	Medical Aid Account--Federal Appropriation . . . . .	\$2,962,000
7	Plumbing Certificate Account--State	
8	Appropriation . . . . .	\$1,461,000
9	Pressure Systems Safety Account--State	
10	Appropriation . . . . .	\$2,815,000
11	TOTAL APPROPRIATION . . . . .	\$475,980,000

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

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

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

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

34       (4) \$378,000 of the accident account--state appropriation is  
35 provided solely for the purpose of contracting with medical  
36 laboratories, health care providers, and other appropriate entities to

1 provide cholinesterase medical monitoring of farm workers who handle  
2 cholinesterase-inhibiting pesticides, and to collect and analyze data  
3 related to such monitoring.

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

6 General Fund--State Appropriation (FY 2004) . . . . . \$981,000  
7 General Fund--State Appropriation (FY 2005) . . . . . \$981,000  
8 TOTAL APPROPRIATION . . . . . \$1,962,000

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

10 (1) HEADQUARTERS

11 General Fund--State Appropriation (FY 2004) . . . . . \$1,536,000  
12 General Fund--State Appropriation (FY 2005) . . . . . \$1,537,000  
13 Charitable, Educational, Penal, and Reformatory  
14 Institutions Account--State  
15 Appropriation . . . . . \$11,000  
16 TOTAL APPROPRIATION . . . . . \$3,084,000

17 (2) FIELD SERVICES

18 General Fund--State Appropriation (FY 2004) . . . . . \$2,585,000  
19 General Fund--State Appropriation (FY 2005) . . . . . \$2,585,000  
20 General Fund--Federal Appropriation . . . . . \$309,000  
21 General Fund--Private/Local Appropriation . . . . . \$1,670,000  
22 TOTAL APPROPRIATION . . . . . \$7,149,000

23 (3) INSTITUTIONAL SERVICES

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

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

30 General Fund--State Appropriation (FY 2004) . . . . . \$1,072,000  
31 General Fund--State Appropriation (FY 2005) . . . . . \$927,000  
32 TOTAL APPROPRIATION . . . . . \$1,999,000

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

3 (1) \$150,000 of the general fund--state appropriation for fiscal  
4 year 2004 is provided solely for the design and development of the home  
5 care provider registry mandated by Initiative Measure No. 775.

6 (2) \$667,000 of the general fund--state appropriation for fiscal  
7 year 2004 and \$675,000 of the general fund--state appropriation for  
8 fiscal year 2005 are provided solely for costs associated with ongoing  
9 administrative, labor, and employment relations costs determined by the  
10 terms of the collective bargaining agreement between the home care  
11 quality authority and the exclusive bargaining representative of  
12 individual providers.

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

14	General Fund--State Appropriation (FY 2004) . . . . .	\$60,151,000
15	General Fund--State Appropriation (FY 2005) . . . . .	\$62,343,000
16	Health Services Account--State Appropriation . . . . .	\$34,293,000
17	General Fund--Federal Appropriation . . . . .	\$349,154,000
18	General Fund--Private/Local Appropriation . . . . .	\$93,104,000
19	Hospital Commission Account--State	
20	Appropriation . . . . .	\$2,492,000
21	Health Professions Account--State	
22	Appropriation . . . . .	\$40,740,000
23	Emergency Medical Services and Trauma Care Systems	
24	Trust Account--State Appropriation . . . . .	\$22,053,000
25	Safe Drinking Water Account--State	
26	Appropriation . . . . .	\$2,738,000
27	Drinking Water Assistance Account--Federal	
28	Appropriation . . . . .	\$13,520,000
29	Waterworks Operator Certification--State	
30	Appropriation . . . . .	\$637,000
31	Water Quality Account--State Appropriation . . . . .	\$3,375,000
32	Accident Account--State Appropriation . . . . .	\$260,000
33	Medical Aid Account--State Appropriation . . . . .	\$46,000
34	State Toxics Control Account--State	
35	Appropriation . . . . .	\$2,775,000
36	Medical Test Site Licensure Account--State	

1	Appropriation . . . . .	\$1,720,000
2	Youth Tobacco Prevention Account--State	
3	Appropriation . . . . .	\$1,806,000
4	Tobacco Prevention and Control Account--State	
5	Appropriation . . . . .	\$52,516,000
6	TOTAL APPROPRIATION . . . . .	\$743,723,000

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

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

16 (2) \$1,675,000 of the general fund--state fiscal year 2004  
17 appropriation and \$1,676,000 of the general fund--state fiscal year  
18 2005 appropriation are provided solely for the implementation of the  
19 Puget Sound water work plan and agency action items, DOH-01, DOH-02,  
20 DOH-03, and DOH-04.

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

1 (4) \$21,650,000 of the health services account--state appropriation  
2 is provided solely for the state's program of universal access to  
3 essential childhood vaccines. The department shall utilize all  
4 available federal funding before expenditure of these funds.

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

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

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

16 (1) ADMINISTRATION AND SUPPORT SERVICES

17	General Fund--State Appropriation (FY 2004) . . . . .	\$38,443,000
18	General Fund--State Appropriation (FY 2005) . . . . .	\$35,468,000
19	Public Safety and Education Account--State	
20	Appropriation . . . . .	\$3,665,000
21	Violence Reduction and Drug Enforcement	
22	Account Appropriation . . . . .	\$26,000
23	TOTAL APPROPRIATION . . . . .	\$77,602,000

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

30 (2) CORRECTIONAL OPERATIONS

31	General Fund--State Appropriation (FY 2004) . . . . .	\$439,844,000
32	General Fund--State Appropriation (FY 2005) . . . . .	\$446,036,000
33	General Fund--Federal Appropriation . . . . .	\$8,746,000
34	Violence Reduction and Drug Enforcement Account--	
35	State Appropriation . . . . .	\$2,984,000
36	TOTAL APPROPRIATION . . . . .	\$897,610,000

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

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

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

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

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

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

35 (3) COMMUNITY SUPERVISION

36	General Fund--State Appropriation (FY 2004) . . . . .	\$73,845,000
37	General Fund--State Appropriation (FY 2005) . . . . .	\$74,203,000

1	Public Safety and Education	
2	Account--State Appropriation . . . . .	\$15,492,000
3	TOTAL APPROPRIATION . . . . .	\$163,540,000

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

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

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

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

25       (4) CORRECTIONAL INDUSTRIES

26	General Fund--State Appropriation (FY 2004) . . . . .	\$628,000
27	General Fund--State Appropriation (FY 2005) . . . . .	\$628,000
28	TOTAL APPROPRIATION . . . . .	\$1,256,000

29       The appropriations in this subsection are subject to the following  
30 conditions and limitations:     \$110,000 of the general fund--state  
31 appropriation for fiscal year 2004 and \$110,000 of the general fund--  
32 state appropriation for fiscal year 2005 are provided solely for  
33 transfer to the jail industries board. The board shall use the amounts  
34 provided only for administrative expenses, equipment purchases, and  
35 technical assistance associated with advising cities and counties in

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

3 (5) INTERAGENCY PAYMENTS

4	General Fund--State Appropriation (FY 2004) . . . . .	\$27,951,000
5	General Fund--State Appropriation (FY 2005) . . . . .	\$27,986,000
6	TOTAL APPROPRIATION . . . . .	\$55,937,000

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

9 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the  
10 department of corrections in this act shall be expended for the  
11 programs and in the amounts specified herein. However, after May 1,  
12 2003, after approval by the director of financial management and unless  
13 specifically prohibited by this act, the department may transfer  
14 general fund--state appropriations for fiscal year 2003 between  
15 programs. The director of financial management shall notify the  
16 appropriate fiscal committees of the senate and house of  
17 representatives in writing prior to approving any deviations from  
18 appropriation levels.

19 (1) ADMINISTRATION AND SUPPORT SERVICES

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

29 The appropriations in this subsection are subject to the following  
30 conditions and limitations: \$4,623,000 of the general fund--state  
31 appropriation for fiscal year 2002, ~~(\$4,623,000)~~ \$1,373,000 of the  
32 general fund--state appropriation for fiscal year 2003, and \$3,254,000  
33 of the violence reduction and drug enforcement account appropriation  
34 are provided solely for the replacement of the department's offender-  
35 based tracking system. This amount is conditioned on the department

1 satisfying the requirements of section 902 of this act. The department  
2 shall prepare an assessment of the fiscal impact of any changes to the  
3 replacement project. The assessment shall:

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

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

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

10 (d) Be provided to the office of financial management, the  
11 department of information services, the information services board, and  
12 the staff of the fiscal committees of the senate and the house of  
13 representatives no later than November 1, 2002.

14 (2) CORRECTIONAL OPERATIONS

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

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

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

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

33 (c) 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  
36 purposes of this subsection, correctional custody staff means employees  
37 responsible for the direct supervision of offenders.

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

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

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

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

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

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

1	(3) COMMUNITY SUPERVISION	
2	General Fund--State Appropriation (FY 2002) . . . . .	\$68,097,000
3	General Fund--State Appropriation (FY 2003) . . . . .	\$77,436,000
4	General Fund--Federal Appropriation . . . . .	\$870,000
5	Public Safety and Education	
6	Account--State Appropriation . . . . .	\$15,493,000
7	TOTAL APPROPRIATION . . . . .	\$161,896,000

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

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

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

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

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

32	(4) CORRECTIONAL INDUSTRIES	
33	General Fund--State Appropriation (FY 2002) . . . . .	\$631,000
34	General Fund--State Appropriation (FY 2003) . . . . .	\$629,000
35	TOTAL APPROPRIATION . . . . .	\$1,260,000

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

10 (5) INTERAGENCY PAYMENTS

11	General Fund--State Appropriation (FY 2002) . . . . .	\$18,568,000
12	General Fund--State Appropriation (FY 2003) . . . . .	\$18,569,000
13	TOTAL APPROPRIATION . . . . .	\$37,137,000

14 **NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE**  
 15 **BLIND**

16	General Fund--State Appropriation (FY 2004) . . . . .	\$1,747,000
17	General Fund--State Appropriation (FY 2005) . . . . .	\$1,747,000
18	General Fund--Federal Appropriation . . . . .	\$14,334,000
19	General Fund--Private/Local Appropriation . . . . .	\$80,000
20	TOTAL APPROPRIATION . . . . .	\$17,908,000

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

22	General Fund--State Appropriation (FY 2004) . . . . .	\$650,000
23	General Fund--State Appropriation (FY 2005) . . . . .	\$652,000
24	TOTAL APPROPRIATION . . . . .	\$1,302,000

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

26	General Fund--Federal Appropriation . . . . .	\$267,620,000
27	General Fund--Private/Local Appropriation . . . . .	\$30,217,000
28	Unemployment Compensation Administration Account--	
29	Federal Appropriation . . . . .	\$185,710,000
30	Administrative Contingency Account--State	
31	Appropriation . . . . .	\$14,751,000
32	Employment Service Administrative Account--State	
33	Appropriation . . . . .	\$23,240,000
34	TOTAL APPROPRIATION . . . . .	\$521,538,000

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

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

8       (a) One member from each caucus of the house of representatives,  
9 each member being a member of the house of representatives commerce and  
10 labor committee, appointed by the speaker of the house of  
11 representatives;

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

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

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

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

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

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

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

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

1 (3) The manufacturing advisory partnership, with the assistance of  
2 the employment security department, shall review policies and programs  
3 related to Washington's manufacturing sector that are developed or  
4 administered by public or private entities. These entities shall  
5 include, but are not limited to, the Washington state competitiveness  
6 council, the state economic development commission, the department of  
7 community, trade, and economic development, the department of revenue,  
8 state technology agencies, and the Washington manufacturing service.

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

13 (a) Legislative policies and programs related to Washington's  
14 manufacturing sector;

15 (b) The work force education and training needs of the  
16 manufacturing sector;

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

19 (d) The activities necessary to develop regionally strategic  
20 industry clusters; and

21 (e) Other issues identified by the partnership.

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

26 (6) Legislative members of the manufacturing advisory partnership  
27 shall be reimbursed for travel expenses in accordance with RCW  
28 44.04.120.

(End of part)

PART III  
NATURAL RESOURCES

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

General Fund--State Appropriation (FY 2004) . . . . .	\$594,000
General Fund--State Appropriation (FY 2005) . . . . .	\$600,000
General Fund--Private/Local Appropriation . . . . .	\$763,000
TOTAL APPROPRIATION . . . . .	\$1,957,000

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

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

General Fund--State Appropriation (FY 2004) . . . . .	\$34,606,000
General Fund--State Appropriation (FY 2005) . . . . .	\$32,406,000
General Fund--Federal Appropriation . . . . .	\$57,363,000
General Fund--Private/Local Appropriation . . . . .	\$3,722,000
Special Grass Seed Burning Research Account--	
State Appropriation . . . . .	\$14,000
Reclamation Revolving Account--State	
Appropriation . . . . .	\$2,768,000
Flood Control Assistance Account--	
State Appropriation . . . . .	\$2,025,000
State Emergency Water Projects Revolving Account--	
State Appropriation . . . . .	\$554,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation . . . . .	\$13,746,000
State Drought Preparedness Account--State	
Appropriation . . . . .	\$1,710,000
State and Local Improvements Revolving Account	

1	(Water Supply Facilities)--State	
2	Appropriation . . . . .	\$597,000
3	Vehicle Tire Recycling Account--State Appropriation . . . . .	\$3,000,000
4	Site Closure Account--State Appropriation . . . . .	\$629,000
5	Water Quality Account--State Appropriation . . . . .	\$24,304,000
6	Wood Stove Education and Enforcement Account--	
7	State Appropriation . . . . .	\$356,000
8	Worker and Community Right-to-Know Account--	
9	State Appropriation . . . . .	\$3,365,000
10	State Toxics Control Account--State	
11	Appropriation . . . . .	\$60,098,000
12	State Toxics Control Account--Private/Local	
13	Appropriation . . . . .	\$112,000
14	Local Toxics Control Account--State	
15	Appropriation . . . . .	\$4,904,000
16	Water Quality Permit Account--State	
17	Appropriation . . . . .	\$25,305,000
18	Underground Storage Tank Account--State	
19	Appropriation . . . . .	\$2,724,000
20	Environmental Excellence Account--State	
21	Appropriation . . . . .	\$504,000
22	Biosolids Permit Account--State Appropriation . . . . .	\$788,000
23	Hazardous Waste Assistance Account--State	
24	Appropriation . . . . .	\$4,205,000
25	Air Pollution Control Account--State	
26	Appropriation . . . . .	\$1,662,000
27	Oil Spill Prevention Account--State	
28	Appropriation . . . . .	\$7,783,000
29	Air Operating Permit Account--State	
30	Appropriation . . . . .	\$3,709,000
31	Freshwater Aquatic Weeds Account--State	
32	Appropriation . . . . .	\$2,505,000
33	Oil Spill Response Account--State	
34	Appropriation . . . . .	\$7,078,000
35	Metals Mining Account--State Appropriation . . . . .	\$19,000
36	Water Pollution Control Revolving Account--	
37	State Appropriation . . . . .	\$382,000

1	Water Pollution Control Revolving Account--	
2	Federal Appropriation . . . . .	\$1,879,000
3	Vessel Response Account Appropriation . . . . .	\$2,800,000
4	TOTAL APPROPRIATION . . . . .	\$307,622,000

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

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

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

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

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

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

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

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

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

11 (8) \$166,000 of the state toxics control account--state  
 12 appropriation is provided solely to implement Engrossed Substitute  
 13 House Bill No. 1002 (mercury). If the bill is not enacted by June 30,  
 14 2003, the amount provided in this subsection shall lapse.

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

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

21	General Fund--State Appropriation (FY 2004) . . . . .	\$27,124,000
22	General Fund--State Appropriation (FY 2005) . . . . .	\$27,110,000
23	General Fund--Federal Appropriation . . . . .	\$2,672,000
24	General Fund--Private/Local Appropriation . . . . .	\$63,000
25	Winter Recreation Program Account--State	
26	Appropriation . . . . .	\$1,081,000
27	Off Road Vehicle Account--State Appropriation . . . . .	\$192,000
28	Snowmobile Account--State Appropriation . . . . .	\$4,675,000
29	Aquatic Lands Enhancement Account--State	
30	Appropriation . . . . .	\$334,000
31	Public Safety and Education Account--State	
32	Appropriation . . . . .	\$47,000
33	Parks Renewal and Stewardship Account--	
34	State Appropriation . . . . .	\$38,437,000
35	TOTAL APPROPRIATION . . . . .	\$101,735,000

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

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

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

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

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

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

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

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

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

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

2	General Fund--State Appropriation (FY 2004) . . . . .	\$925,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$962,000
4	TOTAL APPROPRIATION . . . . .	\$1,887,000

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

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

13	General Fund--State Appropriation (FY 2004) . . . . .	\$2,184,000
14	General Fund--State Appropriation (FY 2005) . . . . .	\$2,195,000
15	Water Quality Account--State Appropriation . . . . .	\$2,168,000
16	TOTAL APPROPRIATION . . . . .	\$6,547,000

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

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

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

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

30	General Fund--State Appropriation (FY 2004) . . . . .	\$41,566,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$40,286,000
32	General Fund--Federal Appropriation . . . . .	\$31,709,000
33	General Fund--Private/Local Appropriation . . . . .	\$24,372,000
34	Off Road Vehicle Account--State	
35	Appropriation . . . . .	\$341,000

1	Aquatic Lands Enhancement Account--State	
2	Appropriation . . . . .	\$5,641,000
3	Public Safety and Education Account--State	
4	Appropriation . . . . .	\$562,000
5	Recreational Fisheries Enhancement Account--	
6	State Appropriation . . . . .	\$3,404,000
7	Warm Water Game Fish Account--State	
8	Appropriation . . . . .	\$2,582,000
9	Eastern Washington Pheasant Enhancement Account--	
10	State Appropriation . . . . .	\$750,000
11	Wildlife Account--State Appropriation . . . . .	\$56,742,000
12	Wildlife Account--Federal Appropriation . . . . .	\$38,325,000
13	Wildlife Account--Private/Local	
14	Appropriation . . . . .	\$15,189,000
15	Game Special Wildlife Account--State	
16	Appropriation . . . . .	\$1,955,000
17	Game Special Wildlife Account--Federal	
18	Appropriation . . . . .	\$9,606,000
19	Game Special Wildlife Account--Private/Local	
20	Appropriation . . . . .	\$350,000
21	Water Quality Account--State Appropriation . . . . .	\$4,000
22	Environmental Excellence Account--State	
23	Appropriation . . . . .	\$15,000
24	Regional Fisheries Salmonid Recovery Account--	
25	Federal Appropriation . . . . .	\$1,750,000
26	Oil Spill Prevention Account--State	
27	Appropriation . . . . .	\$982,000
28	Oyster Reserve Land Account--State	
29	Appropriation . . . . .	\$137,000
30	TOTAL APPROPRIATION . . . . .	\$276,268,000

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

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

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

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

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

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

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

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

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

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

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

1 (11) \$80,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$77,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely to implement Second Substitute  
4 House Bill No. 1095 (small forest landowners). If the bill is not  
5 enacted by June 30, 2003, the amounts provided in this subsection shall  
6 lapse.

7 (12) \$35,000 of the state wildlife account--state appropriation is  
8 provided solely to implement Second Substitute House Bill No. 1725  
9 (catch record cards). If the bill is not enacted by June 30, 2003, the  
10 amount provided in this subsection shall lapse.

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

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

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

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

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

32 General Fund--State Appropriation (FY 2004) . . . . .	\$31,874,000
33 General Fund--State Appropriation (FY 2005) . . . . .	\$31,372,000
34 General Fund--Federal Appropriation . . . . .	\$3,809,000
35 General Fund--Private/Local Appropriation . . . . .	\$2,482,000
36 Forest Development Account--State	

1	Appropriation . . . . .	\$52,154,000
2	Off Road Vehicle Account--State	
3	Appropriation . . . . .	\$3,544,000
4	Surveys and Maps Account--State	
5	Appropriation . . . . .	\$2,770,000
6	Aquatic Lands Enhancement Account--State	
7	Appropriation . . . . .	\$6,889,000
8	Resources Management Cost Account--State	
9	Appropriation . . . . .	\$62,663,000
10	Surface Mining Reclamation Account--State	
11	Appropriation . . . . .	\$2,305,000
12	Disaster Response Account--State Appropriation . . . . .	\$6,200,000
13	Water Quality Account--State Appropriation . . . . .	\$2,497,000
14	Aquatic Land Dredged Material Disposal Site	
15	Account--State Appropriation . . . . .	\$1,357,000
16	Natural Resource Conservation Areas Stewardship	
17	Account Appropriation . . . . .	\$83,000
18	Air Pollution Control Account--State	
19	Appropriation . . . . .	\$528,000
20	Agricultural College Trust Management Account	
21	Appropriation . . . . .	\$1,876,000
22	Derelict Vessel Removal Account--State	
23	Appropriation . . . . .	\$1,130,000
24	TOTAL APPROPRIATION . . . . .	\$213,533,000

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (11) \$208,000 of the general fund--state appropriation of fiscal  
 11 year 2004 and \$70,000 of the general fund--state appropriation for  
 12 fiscal year 2005 are provided solely to implement Second Substitute  
 13 House Bill No. 1095 (small forest landowners). If the bill is not  
 14 enacted by June 30, 2003, the amounts provided in this subsection shall  
 15 lapse.

16 (12) The department of natural resources shall not close Sahara  
 17 Creek facility, campground, or trailhead. The appropriations in this  
 18 section are deemed sufficient to provide service for these recreational  
 19 opportunities.

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

21	General Fund--State Appropriation (FY 2004) . . . . .	\$7,378,000
22	General Fund--State Appropriation (FY 2005) . . . . .	\$7,237,000
23	General Fund--Federal Appropriation . . . . .	\$10,082,000
24	General fund--Private/Local Appropriation . . . . .	\$1,110,000
25	Aquatic Lands Enhancement Account--State	
26	Appropriation . . . . .	\$1,940,000
27	Water Quality Account--State Appropriation . . . . .	\$636,000
28	State Toxics Control Account--State	
29	Appropriation . . . . .	\$2,584,000
30	Water Quality Permit Account--State Appropriation . . . . .	\$110,000
31	TOTAL APPROPRIATION . . . . .	\$31,077,000

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

34 (1) \$37,000 of the general fund--state appropriation for fiscal  
 35 year 2004 and \$37,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for implementation of the Puget  
2 Sound work plan and agency action item WSDA-01.

3 (2) Fees and assessments approved by the department in the 2003-05  
4 biennium are authorized to exceed the fiscal growth factor under RCW  
5 43.135.055.

6 (3) \$110,000 of the water quality permit account--state  
7 appropriation and \$640,000 of the water quality account--state  
8 appropriation are provided solely to implement Engrossed Substitute  
9 Senate Bill No. 5889 (animal feeding operations). If the bill is not  
10 enacted by June 30, 2003, these appropriations shall be transferred to  
11 the department of ecology.

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

14 Pollution Liability Insurance Program Trust Account--  
15 State Appropriation . . . . . \$982,000

(End of part)

PART IV  
TRANSPORTATION

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

4	General Fund--State Appropriation (FY 2004) . . . . .	\$4,987,000
5	General Fund--State Appropriation (FY 2005) . . . . .	\$5,019,000
6	Architects' License Account--State	
7	Appropriation . . . . .	\$693,000
8	Cemetery Account--State Appropriation . . . . .	\$236,000
9	Professional Engineers' Account--State	
10	Appropriation . . . . .	\$3,027,000
11	Real Estate Commission Account--State Appropriation . . . .	\$7,114,000
12	Master License Account--State Appropriation . . . . .	\$9,093,000
13	Uniform Commercial Code Account--State	
14	Appropriation . . . . .	\$2,976,000
15	Real Estate Education Account--State	
16	Appropriation . . . . .	\$276,000
17	Real Estate Appraisers Commission Account--State	
18	Appropriation . . . . .	\$927,000
19	Geologist's Account--State	
20	Appropriation . . . . .	\$8,000
21	Funeral Directors and Embalmers Account--State	
22	Appropriation . . . . .	\$519,000
23	Washington Real Estate Research Account--State	
24	Appropriation . . . . .	\$308,000
25	Data Processing Revolving Account--State	
26	Appropriation . . . . .	\$29,000
27	TOTAL APPROPRIATION . . . . .	\$35,212,000

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

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

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

7	General Fund--State Appropriation (FY 2004) . . . . .	\$20,126,000
8	General Fund--State Appropriation (FY 2005) . . . . .	\$18,976,000
9	General Fund--Federal Appropriation . . . . .	\$4,234,000
10	General Fund--Private/Local Appropriation . . . . .	\$378,000
11	Death Investigations Account--State	
12	Appropriation . . . . .	\$4,477,000
13	Public Safety and Education Account--State	
14	Appropriation . . . . .	\$19,630,000
15	Enhanced 911 Account--State Appropriation . . . . .	\$612,000
16	County Criminal Justice Assistance Account--State	
17	Appropriation . . . . .	\$3,190,000
18	Municipal Criminal Justice Assistance Account--	
19	State Appropriation . . . . .	\$1,695,000
20	Fire Service Trust Account--State	
21	Appropriation . . . . .	\$125,000
22	Fire Service Training Account--State	
23	Appropriation . . . . .	\$7,326,000
24	State Toxics Control Account--State	
25	Appropriation . . . . .	\$474,000
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation . . . . .	\$284,000
28	Fingerprint Identification Account--State	
29	Appropriation . . . . .	\$4,397,000
30	TOTAL APPROPRIATION . . . . .	\$85,924,000

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

33 (1) \$750,000 of the fire service training account--state  
34 appropriation is provided solely for the implementation of Senate Bill  
35 No. 5176 (fire fighting training). If the bill is not enacted by June  
36 30, 2003, the amount provided in this subsection shall lapse.

1           (2) \$200,000 of the fire service training account--state  
2 appropriation is provided solely for two FTE's in the office of state  
3 fire marshal to exclusively review K-12 construction documents for fire  
4 and life safety in accordance with the state building code. It is the  
5 intent of this appropriation to provide these services only to those  
6 districts that are located in counties without qualified review  
7 capabilities.

(End of part)

PART V  
EDUCATION

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

(1) STATE AGENCY OPERATIONS

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

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

(a) \$10,836,000 of the general fund--state appropriation for fiscal year 2004 and \$10,833,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2004 and \$428,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

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

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

(i) The task force shall develop a plan for the coordination of early learning and child care programs and services, including a plan for consolidating such programs and services, as appropriate.

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

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

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

9 (B) Four members appointed by the governor;

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

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

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

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

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

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

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

3 (2) STATEWIDE PROGRAMS

4	General Fund--State Appropriation (FY 2004) . . . . .	\$8,915,000
5	General Fund--State Appropriation (FY 2005) . . . . .	\$9,276,000
6	General Fund--Federal Appropriation . . . . .	\$66,405,000
7	TOTAL APPROPRIATION . . . . .	\$84,596,000

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

11 (a) HEALTH AND SAFETY

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

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

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

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

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

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

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

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

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

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

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

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

7 (vi) A maximum of \$146,000 of the general fund--state appropriation  
8 for fiscal year 2004 and a maximum of \$146,000 of the general fund--  
9 state appropriation for fiscal year 2005 are provided for a nonviolence  
10 and leadership training program provided by the institute for community  
11 leadership. The program shall provide the following:

12 (A) Statewide nonviolence leadership coaches training program for  
13 certification of educational employees and community members in  
14 nonviolence leadership workshops;

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

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

21 (b) TECHNOLOGY

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

30 (c) GRANTS AND ALLOCATIONS

31 (i) \$302,000 of the fiscal year 2004 appropriation and \$603,000 of  
32 the fiscal year 2005 appropriation are provided solely for the special  
33 services pilot projects provided by Second Substitute House Bill No.  
34 2012 (special services pilot program). The office of the  
35 superintendent of public instruction shall allocate these funds to the  
36 district or districts participating in the pilot program according to

1 the provisions of section 2 subsection (4) of Second Substitute House  
2 Bill No. 2012. If Second Substitute House Bill No. 2012 is not enacted  
3 by June 30, 2003, these amounts shall lapse.

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

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

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

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

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

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

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

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

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

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

11	General Fund--State Appropriation (FY 2004) . . . . .	\$3,968,730,000
12	General Fund--State Appropriation (FY 2005) . . . . .	\$3,989,273,000
13	TOTAL APPROPRIATION . . . . .	\$7,958,003,000

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

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

19 (2) Allocations for certificated staff salaries for the 2003-04 and  
20 2004-05 school years shall be determined using formula-generated staff  
21 units calculated pursuant to this subsection. Staff allocations for  
22 small school enrollments in (d) through (f) of this subsection shall be  
23 reduced for vocational full-time equivalent enrollments. Staff  
24 allocations for small school enrollments in grades K-6 shall be the  
25 greater of that generated under (a) of this subsection, or under (d)  
26 and (e) of this subsection. Certificated staffing allocations shall be  
27 as follows:

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

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

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

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

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

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

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

33 (B) Districts at or above 51.0 certificated instructional staff per  
34 one thousand full-time equivalent students in grades K-4 may dedicate  
35 up to 1.3 of the 54.0 funding ratio to employ additional classified  
36 instructional assistants assigned to basic education classrooms in  
37 grades K-4. For purposes of documenting a district's staff ratio under

1 this section, funds used by the district to employ additional  
2 classified instructional assistants shall be converted to a  
3 certificated staff equivalent and added to the district's actual  
4 certificated instructional staff ratio. Additional classified  
5 instructional assistants, for the purposes of this subsection, shall be  
6 determined using the 1989-90 school year as the base year;

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

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

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

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

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

35 (ii) Vocational full-time equivalent enrollment shall be reported  
36 on the same monthly basis as the enrollment for students eligible for

1 basic support, and payments shall be adjusted for reported vocational  
2 enrollments on the same monthly basis as those adjustments for  
3 enrollment for students eligible for basic support; and

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

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

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

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

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

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

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

35 (f) For districts operating no more than two high schools with  
36 enrollments of less than three hundred average annual full-time

1 equivalent students, for enrollment in grades 9-12 in each such school,  
2 other than alternative schools:

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

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

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

19 (g) For each nonhigh school district having an enrollment of more  
20 than seventy annual average full-time equivalent students and less than  
21 one hundred eighty students, operating a grades K-8 program or a grades  
22 1-8 program, an additional one-half of a certificated instructional  
23 staff unit; and

24 (h) For each nonhigh school district having an enrollment of more  
25 than fifty annual average full-time equivalent students and less than  
26 one hundred eighty students, operating a grades K-6 program or a grades  
27 1-6 program, an additional one-half of a certificated instructional  
28 staff unit.

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

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

36 (b) For all other enrollment in grades K-12, including vocational

1 full-time equivalent enrollments, one classified staff unit for each  
2 sixty average annual full-time equivalent students; and

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

7 (4) Fringe benefit allocations shall be calculated at a rate of  
8 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05  
9 school year for certificated salary allocations provided under  
10 subsection (2) of this section, and a rate of 12.24 percent in the  
11 2003-04 school year and 12.24 percent in the 2004-05 school year for  
12 classified salary allocations provided under subsection (3) of this  
13 section.

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

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

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

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

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

36 (c) For nonemployee-related costs associated with each vocational  
37 certificated staff unit allocated under subsection (2)(c)(i)(B) of this

1 section, there shall be provided a maximum of \$16,739 per certificated  
2 staff unit in the 2003-04 school year and a maximum of \$17,057 per  
3 certificated staff unit in the 2004-05 school year.

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

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

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

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

30 (b) For summer vocational programs at skills centers, a maximum of  
31 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of  
32 \$2,035,000 for the 2005 fiscal year; and

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

35 (10) For purposes of RCW 84.52.0531, the increase per full-time  
36 equivalent student is 3.4 percent from the 2002-03 school year to the

1 2003-04 school year and 2.5 percent from the 2003-04 school year to the  
2 2004-05 school year.

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

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

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

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

23 (a) Salary allocations for certificated instructional staff units  
24 shall be determined for each district by multiplying the district's  
25 certificated instructional total base salary shown on LEAP Document 12E  
26 by the district's average staff mix factor for certificated  
27 instructional staff in that school year, computed using LEAP Document  
28 1S; and

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

33 (2) For the purposes of this section:

34 (a) "LEAP Document 1S" means the computerized tabulation  
35 establishing staff mix factors for certificated instructional staff

1 according to education and years of experience, as developed by the  
 2 legislative evaluation and accountability program committee on March  
 3 25, 1999, at 16:55 hours; and

4 (b) "LEAP Document 12E" means the computerized tabulation of 2003-  
 5 04 and 2004-05 school year salary allocations for certificated  
 6 administrative staff and classified staff and derived and total base  
 7 salaries for certificated instructional staff as developed by the  
 8 legislative evaluation and accountability program committee on April  
 9 24, 2003, at 04:09 hours.

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

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

18 K-12 Salary Allocation Schedule For Certificated Instructional Staff  
 19 For School Year 2003-04

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

1	14	48,611	51,006	48,644	51,775	54,073
2	15	49,876	52,333	49,908	53,121	55,479
3	16 or more	50,873	53,379	50,906	54,183	56,588

4 K-12 Salary Allocation Schedule For Certificated Instructional Staff  
5 For School Year 2004-05

6	Years of										MA+90
7	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or Ph.D.	
8	0	28,866	29,645	30,453	31,262	33,860	35,533	34,608	37,206	38,880	
9	1	29,254	30,044	30,862	31,708	34,332	35,996	34,993	37,616	39,281	
10	2	29,913	30,720	31,554	32,473	35,116	36,815	35,726	38,368	40,066	
11	3	30,898	31,730	32,589	33,557	36,247	38,019	36,811	39,499	41,273	
12	4	31,594	32,470	33,343	34,354	37,087	38,891	37,576	40,309	42,113	
13	5	32,316	33,205	34,096	35,172	37,923	39,781	38,363	41,113	42,972	
14	6	32,733	33,602	34,523	35,656	38,392	40,260	38,783	41,520	43,388	
15	7	33,802	34,692	35,636	36,841	39,645	41,585	39,968	42,773	44,713	
16	8	34,886	35,825	36,791	38,095	40,938	42,948	41,223	44,066	46,076	
17	9		36,998	38,011	39,363	42,272	44,351	42,490	45,400	47,479	
18	10			39,247	40,696	43,644	45,792	43,824	46,772	48,919	
19	11				42,068	45,080	47,270	45,195	48,208	50,398	
20	12				43,396	46,555	48,811	46,621	49,682	51,939	
21	13					48,065	50,389	48,097	51,193	53,517	
22	14					49,584	52,026	49,617	52,810	55,154	
23	15					50,873	53,379	50,906	54,183	56,588	
24	16 or more					51,891	54,446	51,924	55,267	57,720	

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

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

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

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

3 (5) For the purposes of this section:

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

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

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

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

9 (e) "Credits" means college quarter hour credits and equivalent in-  
10 service credits computed in accordance with RCW 28A.415.020 and  
11 28A.415.023.

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

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

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

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

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

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

3	General Fund--State Appropriation (FY 2004) . . . . .	\$32,025,000
4	General Fund--State Appropriation (FY 2005) . . . . .	\$169,516,000
5	General Fund--Federal Appropriation . . . . .	\$877,000
6	TOTAL APPROPRIATION . . . . .	\$202,418,000

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

9            (1) A total of \$58,757,000 is provided for a cost of living  
 10 adjustment for state formula staff units of 2.0 percent effective  
 11 September 1, 2004. The appropriations include associated incremental  
 12 fringe benefit allocations at rates of 9.04 percent for certificated  
 13 staff and 8.74 percent for classified staff.

14            (a) The appropriations in this section include the increased  
 15 portion of salaries and incremental fringe benefits for all relevant  
 16 state-funded school programs in part V of this act. Salary adjustments  
 17 for state employees in the office of superintendent of public  
 18 instruction and the education reform program are provided in part VII  
 19 of this act. Increases for general apportionment (basic education) are  
 20 based on the salary allocation schedules and methodology in section 502  
 21 of this act. Increases for special education result from increases in  
 22 each district's basic education allocation per student. Increases for  
 23 educational service districts and institutional education programs are  
 24 determined by the superintendent of public instruction using the  
 25 methodology for general apportionment salaries and benefits in section  
 26 502 of this act.

27            (b) The appropriations in this section provide cost-of-living and  
 28 incremental fringe benefit allocations based on formula adjustments  
 29 effective September 1, 2004, as follows:

	School Year
	2004-05
30            Pupil Transportation (per weighted pupil mile)	\$0.45
31            Highly Capable (per formula student)	\$4.83
32            Transitional Bilingual Education (per eligible bilingual student)	\$12.95
33            Learning Assistance (per entitlement unit)	\$6.43
34            Substitute Teacher (allocation per teacher, section 502(7))	\$10.62

(2) \$143,661,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$457.07 per month for the 2003-04 and 2004-05 school years. The appropriations in this section provide for a rate increase to \$496.69 per month for the 2003-04 school year and \$584.69 per month for the 2004-05 school year at the following rates:

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

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

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

General Fund--State Appropriation (FY 2004)	\$209,708,000
General Fund--State Appropriation (FY 2005)	\$212,893,000
<b>TOTAL APPROPRIATION</b>	<b>\$422,601,000</b>

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

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

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

(3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the fiscal year 2005 appropriation are provided solely for the

1 transportation of students enrolled in "choice" programs.  
2 Transportation shall be limited to low-income students who are  
3 transferring to "choice" programs solely for educational reasons.

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

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

19	General Fund--State Appropriation (FY 2004) . . . . .	\$3,100,000
20	General Fund--State Appropriation (FY 2005) . . . . .	\$3,100,000
21	General Fund--Federal Appropriation . . . . .	\$272,069,000
22	TOTAL APPROPRIATION . . . . .	\$278,269,000

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

25 (1) \$3,000,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$3,000,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided for state matching money for federal  
28 child nutrition programs.

29 (2) \$100,000 of the general fund--state appropriation for fiscal  
30 year 2004 and \$100,000 of the 2005 fiscal year appropriation are  
31 provided for summer food programs for children in low-income areas.

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

34	General Fund--State Appropriation (FY 2004) . . . . .	\$433,457,000
35	General Fund--State Appropriation (FY 2005) . . . . .	\$425,257,000

1 General Fund--Federal Appropriation . . . . . \$409,861,000  
2 TOTAL APPROPRIATION . . . . . \$1,268,575,000

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

5 (1) Funding for special education programs is provided on an excess  
6 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure  
7 that special education students as a class receive their full share of  
8 the general apportionment allocation accruing through sections 502 and  
9 504 of this act. To the extent a school district cannot provide an  
10 appropriate education for special education students under chapter  
11 28A.155 RCW through the general apportionment allocation, it shall  
12 provide services through the special education excess cost allocation  
13 funded in this section.

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

- 18 (i) Special education students are basic education students first;
- 19 (ii) As a class, special education students are entitled to the  
20 full basic education allocation; and
- 21 (iii) Special education students are basic education students for  
22 the entire school day.

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

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

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

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

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

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

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

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

18 (a) "Annual average full-time equivalent basic education  
19 enrollment" means the resident enrollment including students enrolled  
20 through choice (RCW 28A.225.225) and students from nonhigh districts  
21 (RCW 28A.225.210) and excluding students residing in another district  
22 enrolled as part of an interdistrict cooperative program (RCW  
23 28A.225.250).

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

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

33 (7) At the request of any interdistrict cooperative of at least 15  
34 districts in which all excess cost services for special education  
35 students of the districts are provided by the cooperative, the maximum  
36 enrollment percent shall be calculated in accordance with subsection  
37 (6)(b) of this section, and shall be calculated in the aggregate rather

1 than individual district units. For purposes of this subsection, the  
2 average basic education allocation per full-time equivalent student  
3 shall be calculated in the aggregate rather than individual district  
4 units.

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

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

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

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

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

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

35 (9) The superintendent of public instruction may adopt such rules  
36 and procedures as are necessary to administer the special education

1 funding and safety net award process. Prior to revising any standards,  
2 procedures, or rules, the superintendent shall consult with the office  
3 of financial management and the fiscal committees of the legislature.

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

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

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

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

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

17 (12) \$1,000,000 of the general fund--federal appropriation is  
18 provided for projects to provide special education students with  
19 appropriate job and independent living skills, including work  
20 experience where possible, to facilitate their successful transition  
21 out of the public school system. The funds provided by this subsection  
22 shall be from federal discretionary grants.

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

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

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

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

7 Public Safety and Education Account  
8 Appropriation . . . . . \$4,456,000

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

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

13 (2) If House Bill No. 1796 is enacted by June 30, 2003, districts  
14 shall receive the following allocations: The maximum allocation to  
15 provide tuition assistance for students eligible for free and reduced  
16 price lunch who complete the program shall be \$169.78 per eligible  
17 student in the 2003-04 school year and \$182.14 per eligible student in  
18 the 2004-05 school year.

19 NEW SECTION. **Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC**  
20 **INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS**

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

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

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

29 (2) The educational service districts, at the request of the state  
30 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may  
31 receive and screen applications for school accreditation, conduct  
32 school accreditation site visits pursuant to state board of education  
33 rules, and submit to the state board of education post-site visit  
34 recommendations for school accreditation. The educational service

1 districts may assess a cooperative service fee to recover actual plus  
2 reasonable indirect costs for the purposes of this subsection.

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

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

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

10	General Fund--State Appropriation (FY 2004) . . . . .	\$18,596,000
11	General Fund--State Appropriation (FY 2005) . . . . .	\$19,092,000
12	TOTAL APPROPRIATION . . . . .	\$37,688,000

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

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

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

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

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

30 (5) \$279,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$286,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely to maintain at least one  
33 certificated instructional staff and related support services at an  
34 institution whenever the K-12 enrollment is not sufficient to support  
35 one full-time equivalent certificated instructional staff to furnish

1 the educational program. The following types of institutions are  
2 included: Residential programs under the department of social and  
3 health services for developmentally disabled juveniles, programs for  
4 juveniles under the department of corrections, and programs for  
5 juveniles under the juvenile rehabilitation administration.

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

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

10	General Fund--State Appropriation (FY 2004) . . . . .	\$6,597,000
11	General Fund--State Appropriation (FY 2005) . . . . .	\$6,614,000
12	TOTAL APPROPRIATION . . . . .	\$13,211,000

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

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

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

25 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of  
26 the fiscal year 2005 appropriation are provided for the centrum program  
27 at Fort Worden state park.

28 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of  
29 the fiscal year 2005 appropriation are provided for the Washington  
30 destination imagination network and future problem-solving programs.

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

34	General Fund--Federal Appropriation . . . . .	\$46,198,000
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1            NEW SECTION.    **Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC**  
2 **INSTRUCTION--EDUCATION REFORM PROGRAMS**

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

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

9            (1) \$310,000 of the general fund--state appropriation for fiscal  
10 year 2004 and \$310,000 of the general fund--state appropriation for  
11 fiscal year 2005 are provided solely for the academic achievement and  
12 accountability commission.

13            (2) \$16,542,000 of the general fund--state appropriation for fiscal  
14 year 2004, \$13,504,000 of the general fund--state appropriation for  
15 fiscal year 2005, and \$15,455,000 of the general fund--federal  
16 appropriation are provided solely for development and implementation of  
17 the Washington assessments of student learning. Of the general fund--  
18 state amounts provided:

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

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

34            (3) \$548,000 of the fiscal year 2004 general fund--state  
35 appropriation and \$548,000 of the fiscal year 2005 general fund--state  
36 appropriation are provided solely for training of paraprofessional

1 classroom assistants and certificated staff who work with classroom  
2 assistants as provided in RCW 28A.415.310.

3 (4) \$2,348,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$2,348,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely for mentor teacher assistance,  
6 including state support activities, under RCW 28A.415.250 and  
7 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in  
8 this subsection may be used each fiscal year to operate a mentor  
9 academy to help districts provide effective training for peer mentors.  
10 Funds for the teacher assistance program shall be allocated to school  
11 districts based on the number of first year beginning teachers.

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

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

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

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

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

34 (v) Assistance in the incorporation of the essential academic  
35 learning requirements into instructional plans and in the development  
36 of complex teaching strategies, including strategies to raise the

1 achievement of students with diverse learning styles and backgrounds;  
2 and

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

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

12 (i) Strong collaboration among the peer mentor, the beginning  
13 teacher's principal, and the beginning teacher;

14 (ii) Stipends for peer mentors and, at the option of a district,  
15 for beginning teachers. The stipends shall not be deemed compensation  
16 for the purposes of salary lid compliance under RCW 28A.400.200 and are  
17 not subject to the continuing contract provisions of Title 28A RCW; and

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

22 (5) \$1,959,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$1,959,000 of the general fund--state appropriation for  
24 fiscal year 2005 are provided solely for improving technology  
25 infrastructure, monitoring and reporting on school district technology  
26 development, promoting standards for school district technology,  
27 promoting statewide coordination and planning for technology  
28 development, and providing regional educational technology support  
29 centers, including state support activities, under chapter 28A.650 RCW.  
30 The superintendent of public instruction shall coordinate a process to  
31 facilitate the evaluation and provision of online curriculum courses to  
32 school districts which includes the following: Creation of a general  
33 listing of the types of available online curriculum courses; a survey  
34 conducted by each regional educational technology support center of  
35 school districts in its region regarding the types of online curriculum  
36 courses desired by school districts; a process to evaluate and

1 recommend to school districts the best online courses in terms of  
2 curriculum, student performance, and cost; and assistance to school  
3 districts in procuring and providing the courses to students.

4 (6) \$3,594,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$3,594,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for grants to school districts to  
7 provide a continuum of care for children and families to help children  
8 become ready to learn. Grant proposals from school districts shall  
9 contain local plans designed collaboratively with community service  
10 providers. If a continuum of care program exists in the area in which  
11 the school district is located, the local plan shall provide for  
12 coordination with existing programs to the greatest extent possible.  
13 Grant funds shall be allocated pursuant to RCW 70.190.040.

14 (7) \$2,500,000 of the general fund--state appropriation for fiscal  
15 year 2004 and \$2,500,000 of the general fund--state appropriation for  
16 fiscal year 2005 are provided solely for the meals for kids program  
17 under RCW 28A.235.145 through 28A.235.155.

18 (8) \$705,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$705,000 of the general fund--state appropriation for  
20 fiscal year 2005 are provided solely for the leadership internship  
21 program for superintendents, principals, and program administrators.

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

32 (10) \$3,713,000 of the general fund--state appropriation for fiscal  
33 year 2004 and \$3,713,000 of the general fund--state appropriation for  
34 fiscal year 2005 are provided solely for the Washington reading corps  
35 subject to the following conditions and limitations:

36 (a) Grants shall be allocated to schools and school districts to  
37 implement proven, research-based mentoring and tutoring programs in

1 reading for low-performing students in grades K-6. If the grant is  
2 made to a school district, the principals of schools enrolling targeted  
3 students shall be consulted concerning design and implementation of the  
4 program.

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

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

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

12 (i) The program employs methods of teaching and student learning  
13 based on reliable reading/literacy research and effective practices;

14 (ii) The program design is comprehensive and includes instruction,  
15 on-going student assessment, professional development,  
16 parental/community involvement, and program management aligned with the  
17 school's reading curriculum;

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

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

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

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

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

33 (g) Grants provided under this section may be used by schools and  
34 school districts for expenditures from September 2003 through August  
35 31, 2005.

36 (11) \$1,564,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$2,497,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for salary bonuses for teachers  
2 who attain certification by the national board for professional  
3 teaching standards, subject to the following conditions and  
4 limitations:

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

9 (b) The annual bonus shall be paid in a lump sum amount and shall  
10 not be included in the definition of "earnable compensation" under RCW  
11 41.32.010(10).

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

23 (13) \$70,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$70,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely for the second grade reading test.  
26 The funds shall be expended for assessment training for new second  
27 grade teachers and replacement of assessment materials.

28 (14) \$266,000 of the general fund--state appropriation for fiscal  
29 year 2004 and \$266,000 of the general fund--state appropriation for  
30 fiscal year 2005 are provided for the superintendent to assist schools  
31 in implementing high academic standards, aligning curriculum with these  
32 standards, and training teachers to use assessments to improve student  
33 learning. Funds may also be used to increase community and parental  
34 awareness of education reform.

35 (15) \$126,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$126,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided for the development and posting of web-  
2 based instructional tools, assessment data, and other information that  
3 assists schools and teachers implementing higher academic standards.

4 (16) \$3,046,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$3,046,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely to the office of the  
7 superintendent of public instruction for focused assistance. The  
8 office of the superintendent of public instruction shall conduct  
9 educational audits of low-performing schools and enter into performance  
10 agreements between school districts and the office to implement the  
11 recommendations of the audit and the community. Each educational audit  
12 shall include recommendations for best practices and ways to address  
13 identified needs and shall be presented to the community in a public  
14 meeting to seek input on ways to implement the audit and its  
15 recommendations.

16 (17) \$87,901,000 of the general fund--federal appropriation is  
17 provided for preparing, training, and recruiting high quality teachers  
18 and principals under Title II of the no child left behind act.

19 (18) \$25,046,000 of the general fund--federal appropriation is  
20 provided for the reading first program under Title I of the no child  
21 left behind act.

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

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

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

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

6 (4) \$70,000 of the amounts appropriated in this section are  
7 provided solely to develop a system for the tracking of current and  
8 former transitional bilingual program students.

9 (5) The general fund--federal appropriation in this section is  
10 provided for migrant education under Title I Part C and English  
11 language acquisition, and language enhancement grants under Title III  
12 of the elementary and secondary education act.

13 **NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**  
14 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

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

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

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

24 (b) Funding for school district learning assistance programs shall  
25 be allocated at maximum rates of \$432.14 per funded unit for the 2003-  
26 04 school year and \$433.01 per funded unit for the 2004-05 school year  
27 exclusive of salary and benefit adjustments provided under section 504  
28 of this act.

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

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

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

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

12 (iii) The district's full-time equivalent enrollment in grades 10-  
13 11 multiplied by the 5-year average 11th grade lowest quartile test  
14 results, multiplied by 0.82. As the 9th grade test becomes available,  
15 it shall be phased into the 5-year average for these grades on a 1-year  
16 lag;

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

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

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

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

3 Student Achievement Fund--State

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

5 Student Achievement Fund--State

6        Appropriation (FY 2005) . . . . . \$240,010,000

7            TOTAL APPROPRIATION . . . . . \$443,133,000

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

10        (1) Funding for school district student achievement programs shall  
11 be allocated at a maximum rate of \$211.67 per FTE student for the 2003-  
12 04 school year and \$300.00 per FTE student for the 2004-05 school year.  
13 For the purposes of this section and in accordance with RCW 84.52.068,  
14 FTE student refers to the annual average full-time equivalent  
15 enrollment of the school district in grades kindergarten through twelve  
16 for the prior school year.

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

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

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

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

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

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

3 (f) To provide improvements or additions to school building  
4 facilities which are directly related to the class size reductions and  
5 extended learning opportunities under (a) through (c) of this  
6 subsection (2).

7 (3) For the 2003-04 school year, the office of the superintendent  
8 of public instruction shall distribute ten percent of the school year  
9 allocation to districts each month for the months of September through  
10 June. For the 2004-05 school year, the superintendent of public  
11 instruction shall distribute one-twelfth of the school year allocation  
12 to districts each month.

13 NEW SECTION. **Sec. 518. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**  
14 **ADJUSTMENTS.** State general fund appropriations provided to the  
15 superintendent of public instruction for state entitlement programs in  
16 the public schools in this part V of this act may be expended as needed  
17 by the superintendent for adjustments to apportionment for prior fiscal  
18 periods. Recoveries of state general fund moneys from school districts  
19 and educational service districts for a prior fiscal period shall be  
20 made as reductions in apportionment payments for the current fiscal  
21 period and shall be shown as prior year adjustments on apportionment  
22 reports for the current period. Such recoveries shall not be treated  
23 as revenues to the state, but as a reduction in the amount expended  
24 against the appropriation for the current fiscal period.

(End of part)



1 provide additional salary increases from other sources to instructional  
2 and research faculty, exempt professional staff, academic  
3 administrators, academic librarians, counselors, teaching and research  
4 assistants, as classified by the office of financial management, and  
5 all other nonclassified staff, but not including employees under RCW  
6 28B.16.015. Any additional salary increase granted under the authority  
7 of this subsection (2)(e) shall not be included in an institution's  
8 salary base for future state funding. It is the intent of the  
9 legislature that general fund--state support for an institution shall  
10 not increase during the current or any future biennium as a result of  
11 any salary increases authorized under this subsection (2)(e).

12 (f) The legislature, the office of financial management, and other  
13 state agencies need consistent and accurate personnel data from  
14 institutions of higher education for policy planning purposes.  
15 Institutions of higher education shall report personnel data to the  
16 department of personnel for inclusion in the department's data  
17 warehouse. Uniform reporting procedures shall be established by the  
18 department of personnel for use by the reporting institutions,  
19 including provisions for common job classifications and common  
20 definitions of full-time equivalent staff. Annual contract amounts,  
21 number of contract months, and funding sources shall be consistently  
22 reported for employees under contract.

23 (g) Specific salary increases authorized in sections 603 through  
24 609 of this act are in addition to any salary increase provided in this  
25 subsection.

26 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to  
27 full-time students at the state's institutions of higher education for  
28 the 2003-04 and 2004-05 academic years, other than the summer term,  
29 shall be adjusted by the governing boards of the state universities,  
30 regional universities, The Evergreen State College, and the state board  
31 for community and technical colleges. Tuition fees may be increased in  
32 excess of the fiscal growth factor.

33 For the 2003-04 academic year, the governing boards of the state  
34 universities, regional universities, The Evergreen State College, and  
35 the state board for community and technical colleges may implement an  
36 increase no greater than six percent over tuition fees charged to

1 full-time resident undergraduate students for the 2002-03 academic  
2 year.

3 For the 2004-05 academic year, the governing boards of the state  
4 universities, regional universities, The Evergreen State College, and  
5 the state board for community and technical colleges may implement an  
6 increase no greater than six percent over tuition fees charged to  
7 full-time resident undergraduate students for the 2003-04 academic  
8 year.

9 (4) For the 2003-05 biennium, the state board for community and  
10 technical colleges may increase tuition fees differentially based on  
11 student credit hour load at their discretion.

12 (5) For the 2003-05 biennium, the governing boards and the state  
13 board may adjust full-time operating fees for factors that may include  
14 time of day and day of week, as well as delivery method and campus, to  
15 encourage full use of the state's educational facilities and resources.

16 (6) In addition to waivers granted under the authority of RCW  
17 28B.15.910, the governing boards and the state board may waive all or  
18 a portion of operating fees for any student. State general fund  
19 appropriations shall not be provided to replace tuition and fee revenue  
20 foregone as a result of waivers granted under this subsection.

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

28 (8) Community colleges may increase services and activities fee  
29 charges in excess of the fiscal growth factor up to the maximum level  
30 authorized by the state board for community and technical colleges.

31 (9) Each institution receiving appropriations under sections 604  
32 through 609 of this act shall submit a biennial plan to achieve  
33 measurable and specific improvements each academic year as part of a  
34 continuing effort to make meaningful and substantial progress towards  
35 the achievement of long-term performance goals. The plans, to be  
36 prepared at the direction of the higher education coordinating board,  
37 shall be submitted by August 15, 2003. The higher education

1 coordinating board shall set biennial performance targets for each  
 2 institution and shall review actual achievements annually.  
 3 Institutions shall track their actual performance on the statewide  
 4 measures as well as faculty productivity, the goals and targets for  
 5 which may be unique to each institution. A report on progress towards  
 6 statewide and institution-specific goals, with recommendations for the  
 7 ensuing biennium, shall be submitted to the fiscal and higher education  
 8 committees of the legislature by November 15, 2005.

9 (10) The state board for community and technical colleges shall  
 10 develop a biennial plan to achieve measurable and specific improvements  
 11 each academic year as part of a continuing effort to make meaningful  
 12 and substantial progress to achieve long-term performance goals. The  
 13 board shall set biennial performance targets for each college or  
 14 district, where appropriate, and shall review actual achievements  
 15 annually. Colleges shall track their actual performance on the  
 16 statewide measures. A report on progress towards the statewide goals,  
 17 with recommendations for the ensuing biennium, shall be submitted to  
 18 the fiscal and higher education committees of the legislature by  
 19 November 15, 2005.

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

	2003-04	2004-05
	Annual	Annual
	Average	Average
28 University of Washington		
29		
30 Main campus	32,427	32,427
31 Bothell branch	1,235	1,235
32 Tacoma branch	1,484	1,484
33		
34 Washington State University		
35		

1	Main campus	17,348	17,364
2	Spokane branch	593	593
3	Tri-Cities branch	616	616
4	Vancouver branch	1,153	1,153
5			
6	Central Washington University	7,776	7,776
7	Eastern Washington University	8,017	8,017
8	The Evergreen State College	3,837	3,837
9	Western Washington University	11,126	11,126
10	State Board for Community and Technical Colleges	125,872	125,872

11 (2) In addition to the annual full-time equivalent student  
12 enrollments in this section, funding is provided in sections 603, 606,  
13 607, 608, and 609 for additional high-demand enrollment slots.

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

19 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**  
20 **TECHNICAL COLLEGES**

21	General Fund--State Appropriation (FY 2004) . . . . .	\$512,023,000
22	General Fund--State Appropriation (FY 2005) . . . . .	\$535,914,000
23	TOTAL APPROPRIATION . . . . .	\$1,047,937,000

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

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

29 (2) \$2,500,000 of the general fund--state appropriation for fiscal  
30 year 2004 and \$2,500,000 of the general fund--state appropriation for  
31 fiscal year 2005 are provided solely to increase salaries and related  
32 benefits for part-time faculty. The board shall report by January 30  
33 of each fiscal year to the office of financial management and  
34 legislative fiscal and higher education committees on (a) the  
35 distribution of state funds; (b) wage adjustments for part-time

1 faculty; and (c) progress to achieve the long-term performance targets  
2 for each district, with respect to use of part-time faculty, pursuant  
3 to the faculty mix study conducted under section 603, chapter 309, Laws  
4 of 1999.

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

7 (4) \$1,000,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$1,000,000 of the general fund--state appropriation for  
9 fiscal year 2005 are provided for a program to fund the start-up of new  
10 community and technical college programs in rural counties as defined  
11 under RCW 43.160.020(12) and in communities impacted by business  
12 closures and job reductions. Successful proposals must respond to  
13 local economic development strategies and must include a plan to  
14 continue programs developed with this funding.

15 (5) \$640,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$640,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely for allocation to twelve college  
18 districts identified in (a) through (l) of this subsection to prepare  
19 students for transfer to the state technology institute at the Tacoma  
20 branch campus of the University of Washington. The appropriations in  
21 this section are intended to supplement, not supplant, general  
22 enrollment allocations by the board to the districts under (a) through  
23 (l) of this subsection:

- 24 (a) Bates Technical College;
- 25 (b) Bellevue Community College;
- 26 (c) Centralia Community College;
- 27 (d) Clover Park Community College;
- 28 (e) Grays Harbor Community College;
- 29 (f) Green River Community College;
- 30 (g) Highline Community College;
- 31 (h) Tacoma Community College;
- 32 (i) Olympic Community College;
- 33 (j) Pierce District;
- 34 (k) Seattle District; and
- 35 (l) South Puget Sound Community College.

36 (6) \$28,761,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$28,761,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely as special funds for training and  
2 related support services, including financial aid, as specified in  
3 chapter 226, Laws of 1993 (employment and training for unemployed  
4 workers). Funding is provided to support up to 6,200 full-time  
5 equivalent students in each fiscal year.

6 (7) \$1,000,000 of the general fund--state appropriation for fiscal  
7 year 2004 and \$1,000,000 of the general fund--state appropriation for  
8 fiscal year 2005 are provided solely for tuition support for students  
9 enrolled in work-based learning programs.

10 (8) \$567,000 of the general fund--state appropriation for fiscal  
11 year 2004 and \$568,000 of the general fund--state appropriation for  
12 fiscal year 2005 are provided solely for administration and customized  
13 training contracts through the job skills program.

14 (9) \$50,000 of the general fund--state appropriation for fiscal  
15 year 2004 and \$50,000 of the general fund--state appropriation for  
16 fiscal year 2005 are solely for higher education student child care  
17 matching grants under chapter 28B.135 RCW.

18 (10) \$212,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$212,000 of the general fund--state appropriation for  
20 fiscal year 2005 are provided for allocation to Olympic college. The  
21 college shall contract with accredited baccalaureate institution(s) to  
22 bring a program of upper-division courses to Bremerton. The state  
23 board for community and technical colleges shall report to the office  
24 of financial management and the fiscal and higher education committees  
25 of the legislature on the implementation of this subsection by December  
26 1st of each fiscal year.

27 (11) \$125,000 of the general fund--state appropriation for fiscal  
28 year 2004 and \$125,000 of the general fund--state appropriation for  
29 fiscal year 2005 are provided solely and on a one-time basis to start  
30 up a college district consortium organized under the name "alliance for  
31 corporate education." Financial operations shall be self-sustaining by  
32 no later than June 30, 2005.

33 (12) \$6,167,000 of the general fund--state appropriation for fiscal  
34 year 2004 and \$6,168,000 of the general fund--state appropriation for  
35 fiscal year 2005 are provided solely to expand enrollment in high-  
36 demand fields. High-demand fields means (a) health care; (b)  
37 viticulture and enology; and (c) expansion of worker retraining

1 programs. The state board shall allocate resources among the three  
2 areas specified in this subsection and manage a competitive process for  
3 awarding these resources to the college districts.

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

5	General Fund--State Appropriation (FY 2004) . . . . .	\$316,189,000
6	General Fund--State Appropriation (FY 2005) . . . . .	\$332,058,000
7	General Fund--Private/Local Appropriation . . . . .	\$300,000
8	Death Investigations Account--State	
9	Appropriation . . . . .	\$261,000
10	Accident Account--State Appropriation . . . . .	\$5,960,000
11	Medical Aid Account--State Appropriation . . . . .	\$5,974,000
12	TOTAL APPROPRIATION . . . . .	\$660,742,000

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

15 (1) \$1,875,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$1,875,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely to create a state resource for  
18 technology education in the form of an institute located at the  
19 University of Washington, Tacoma. The university will continue to  
20 provide undergraduate and graduate degree programs meeting regional  
21 technology needs including, but not limited to, computing and software  
22 systems. As a condition of these appropriations:

23 (a) The university will work with the state board for community and  
24 technical colleges, or individual colleges where necessary, to  
25 establish articulation agreements in addition to the existing associate  
26 of arts and associate of science transfer degrees. Such agreements  
27 shall improve the transferability of students and in particular,  
28 students with substantial applied information technology credits.

29 (b) The university will establish performance measures for  
30 recruiting, retaining and graduating students, including nontraditional  
31 students, and report back to the governor and legislature by September  
32 2004 as to its progress and future steps.

33 (2) \$150,000 of the general fund--state appropriation for fiscal  
34 year 2004 and \$150,000 of the general fund--state appropriation for  
35 fiscal year 2005 are provided solely for research faculty clusters in  
36 the advanced technology initiative program.

1 (3) \$258,000 of the death investigations account appropriation is  
2 provided solely for the forensic pathologist fellowship program.

3 (4) \$150,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$150,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely for the implementation of the  
6 Puget Sound work plan and agency action item UW-01.

7 (5) \$75,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$75,000 of the general fund--state appropriation for  
9 fiscal year 2005 are provided solely for the Olympic natural resources  
10 center.

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

22 (7) \$1,250,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$1,250,000 of the general fund--state appropriation for  
24 fiscal year 2005 are provided solely for state match to attract or  
25 retain federal research grants in high demand and technologically  
26 advanced fields.

27 (8) \$300,000 of the general fund--private/local appropriation is  
28 provided solely for shellfish biotoxin monitoring as specified in  
29 Substitute Senate Bill No. 6073 (shellfish license fee). If the bill  
30 is not enacted by June 30, 2003, the amount provided in this subsection  
31 shall lapse.

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

33	General Fund--State Appropriation (FY 2004) . . . . .	\$186,312,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$195,707,000
35	TOTAL APPROPRIATION . . . . .	\$382,019,000

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

3 (1) \$150,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$150,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely for research faculty clusters in  
6 the advanced technology initiative program.

7 (2) \$165,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$166,000 of the general fund--state appropriation for  
9 fiscal year 2005 are provided solely for the implementation of the  
10 Puget Sound work plan and agency action item WSU-01.

11 (3) \$949,000 of the general fund--state appropriation for fiscal  
12 year 2004 and \$1,927,000 of general fund--state appropriation for  
13 fiscal year 2005 are provided solely for competitively offered  
14 recruitment and retention salary adjustments for instructional and  
15 research faculty, exempt professional staff, academic administrators,  
16 academic librarians, counselors, teaching and research assistants, as  
17 classified by the office of financial management, and all other  
18 nonclassified staff, but not including employees under RCW 28B.16.015.  
19 Tuition revenues may be expended in addition to those required by this  
20 section to further provide recruitment and retention salary  
21 adjustments.

22 (4) \$507,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$1,014,000 of the general fund--state appropriation for  
24 fiscal year 2005 are provided solely to expand enrollment in high-  
25 demand fields. High-demand fields means veterinary medicine. Within  
26 the amounts provided in this subsection, the university shall expand  
27 the entering class of veterinary medicine students by 16 full-time  
28 equivalent resident students each academic year during the 2003-05  
29 biennium.

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

31	General Fund--State Appropriation (FY 2004) . . . . .	\$42,139,000
32	General Fund--State Appropriation (FY 2005) . . . . .	\$44,191,000
33	TOTAL APPROPRIATION . . . . .	\$86,330,000

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

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

11 (2) \$587,000 of the general fund--state appropriation for fiscal  
12 year 2004 and \$587,000 of the general fund--state appropriation for  
13 fiscal year 2005 are provided solely to expand enrollment in high-  
14 demand fields. High-demand fields means health sciences and computing  
15 and engineering sciences.

16 **NEW SECTION. Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

17	General Fund--State Appropriation (FY 2004) . . . . .	\$41,483,000
18	General Fund--State Appropriation (FY 2005) . . . . .	\$44,122,000
19	TOTAL APPROPRIATION . . . . .	\$85,605,000

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

22 (1) \$1,652,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$1,652,000 of the general fund--state appropriation for  
24 fiscal year 2005 are provided to expand university enrollment by 306  
25 full-time equivalent students.

26 (2) \$206,000 of the general fund--state appropriation for fiscal  
27 year 2004 and \$418,000 of general fund--state appropriation for fiscal  
28 year 2005 are provided solely for competitively offered recruitment and  
29 retention salary adjustments for instructional and research faculty,  
30 exempt professional staff, academic administrators, academic  
31 librarians, counselors, teaching and research assistants, as classified  
32 by the office of financial management, and all other nonclassified  
33 staff, but not including employees under RCW 28B.16.015. Tuition  
34 revenues may be expended in addition to those required by this section  
35 to further provide recruitment and retention salary adjustments.

1 (3) \$400,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$400,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely to expand enrollment in high-  
4 demand fields. High-demand fields means special education and  
5 elementary math and science programs.

6 NEW SECTION. **Sec. 608. FOR THE EVERGREEN STATE COLLEGE**

7	General Fund--State Appropriation (FY 2004) . . . . .	\$23,603,000
8	General Fund--State Appropriation (FY 2005) . . . . .	\$24,937,000
9	TOTAL APPROPRIATION . . . . .	\$48,540,000

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) \$272,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$273,000 of the general fund--state appropriation for  
24 fiscal year 2005 are provided solely to expand enrollment in high-  
25 demand fields. High-demand fields means reservation based tribal  
26 programs for undergraduate students.

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

31 (a) \$110,000 of the general fund--state appropriation for fiscal  
32 year 2004 is provided solely for the Washington state institute for  
33 public policy to review research assessing the effectiveness of  
34 prevention and early intervention programs concerning children and  
35 youth, including but not limited to, programs designed to reduce the

1 at-risk behaviors for children and youth identified in RCW  
2 70.190.010(4).

3 Using this research, the institute shall identify specific  
4 research-proven programs that produce a positive return on the dollar  
5 compared to the costs of the program. The institute shall also develop  
6 criteria designed to ensure quality implementation and program fidelity  
7 of research-proven programs in the state. The criteria shall include  
8 measures for ongoing monitoring and continual improvement of treatment  
9 delivery, and shall be feasible for inclusion in a contract for  
10 services. The institute shall develop recommendations for potential  
11 state legislation that encourages local government investment in  
12 research-proven prevention and early intervention programs by  
13 reimbursing local governments for a portion of the savings that accrue  
14 to the state as the result of local investments in such programs. The  
15 institute shall present a preliminary report of its findings to the  
16 appropriate committees of the legislature by December 1, 2003, and  
17 shall present a final report by March 1, 2004.

18 This study incorporates all studies outlined in Substitute House  
19 Bill No. 1028 (at-risk youth study), Substitute House Bill No. 1824  
20 (treatment for juveniles), and Second Substitute House Bill No. 1841  
21 (family services/intervention).

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

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

33 (i) The institute shall determine whether any changes could be made  
34 to the current state sentencing structure to address prison  
35 overcrowding and the need for new prison construction, giving great  
36 weight to the primary purposes of the criminal justice system. These  
37 purposes include: Protecting community safety; making frugal use of

1 state and local government resources by concentrating resources on  
2 violent offenders and sex offenders who pose the greatest risk to our  
3 communities; achieving proportionality in sentencing; and reducing the  
4 risk of reoffending by offenders in the community.

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

8 (iii) The institute for public policy shall present a preliminary  
9 report of its findings to the governor and to the appropriate standing  
10 committees of the legislature by December 15, 2003, and shall present  
11 a final report regarding its findings and recommendations by March 15,  
12 2004.

13 (d) \$12,000 of the general fund--state appropriation for fiscal  
14 year 2004 and \$12,000 of the general fund--state appropriation for  
15 fiscal year 2005 are provided solely for the Washington state institute  
16 for public policy to examine the results of the changes in earned  
17 release under Engrossed Substitute Senate Bill No. 5990 (changing times  
18 and supervision standards for release of offenders). The study shall  
19 determine whether the changes in earned release affect the rate of  
20 recidivism or the type of offenses committed by persons whose release  
21 dates were affected by the changes under the bill. The institute shall  
22 report its findings to the governor and appropriate committees of the  
23 legislature by no later than December 1, 2008.

24 NEW SECTION. **Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**

25	General Fund--State Appropriation (FY 2004) . . . . .	\$55,520,000
26	General Fund--State Appropriation (FY 2005) . . . . .	\$58,705,000
27	TOTAL APPROPRIATION . . . . .	\$114,225,000

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

30 (1) \$980,400 of the general fund--state appropriation for fiscal  
31 year 2004 and \$980,400 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for the operations of the North  
33 Snohomish, Island, Skagit (NSIS) higher education consortium.

34 (2) \$248,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$503,000 of general fund--state appropriation for fiscal  
36 year 2005 are provided solely for competitively offered recruitment and

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

8 (3) \$642,000 of the general fund--state appropriation for fiscal  
9 year 2004 and \$643,000 of the general fund--state appropriation for  
10 fiscal year 2005 are provided solely to expand enrollment in high-  
11 demand fields. High-demand fields means special education, computer  
12 science, and information technology.

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

15	General Fund--State Appropriation (FY 2004) . . . . .	\$2,195,000
16	General Fund--State Appropriation (FY 2005) . . . . .	\$2,194,000
17	General Fund--Federal Appropriation . . . . .	\$642,000
18	TOTAL APPROPRIATION . . . . .	\$5,031,000

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

22 (1) Within the appropriations provided in this section, funds are  
23 provided to continue the teacher training pilot program pursuant to  
24 chapter 28B.80 RCW until standing authority for this program expires as  
25 scheduled on January 1, 2005.

26 (2) \$175,000 of the general fund--state appropriation for fiscal  
27 year 2004 and \$175,000 of the general fund--state appropriation for  
28 fiscal year 2005 are provided solely to continue a demonstration  
29 project to improve rural access to post-secondary education by bringing  
30 distance learning technologies into Jefferson county.

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

33	General Fund--State Appropriation (FY 2004) . . . . .	\$144,080,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$151,705,000
35	General Fund--Federal Appropriation . . . . .	\$7,534,000

1 TOTAL APPROPRIATION . . . . . \$303,319,000

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

4 (1) \$259,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$273,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for the western interstate  
7 commission for higher education.

8 (2) \$1,100,000 of the general fund--state appropriation for fiscal  
9 year 2004 and \$1,100,000 of the general fund--state appropriation for  
10 fiscal year 2005 are provided solely for the health professional  
11 conditional scholarship and loan program under chapter 28B.115 RCW.  
12 This amount shall be deposited to the health professional loan  
13 repayment and scholarship trust fund to carry out the purposes of the  
14 program.

15 (3) \$75,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$75,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely for higher education student child  
18 care matching grants under chapter 28B.135 RCW.

19 (4) \$25,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$25,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for the benefit of students who  
22 participate in college assistance migrant programs (CAMP) operating in  
23 Washington state. To ensure timely state aid, the board may establish  
24 a date after which no additional grants would be available for the  
25 2003-04 and 2004-05 academic years. The board shall disperse grants in  
26 equal amounts to eligible post-secondary institutions so that state  
27 money in all cases supplements federal CAMP awards.

28 (5) \$110,499,000 of the general fund--state appropriation for  
29 fiscal year 2004 and \$117,748,000 of the general fund--state  
30 appropriation for fiscal year 2005 are provided solely for the state  
31 need grant program.

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

35 (b) For the 2003-05 biennium, state need grant awards for students  
36 who attend independent baccalaureate institutions shall not exceed

1 average tuition at the public regional universities as defined by RCW  
2 28B.35.010.

3 (6) \$17,048,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$17,048,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely for the state work study program.  
6 After April 1 of each fiscal year, up to one percent of the annual  
7 appropriation for the state work study program may be transferred to  
8 the state need grant program. In addition to the administrative  
9 allowance in subsection (12) of this section, four percent of the  
10 general fund--state amount in this subsection may be expended for state  
11 work study program administration.

12 (7) \$2,867,000 of the general fund--state appropriation for fiscal  
13 year 2004 and \$2,867,000 of the general fund--state appropriation for  
14 fiscal year 2005 are provided solely for educational opportunity  
15 grants. The board may deposit sufficient funds from its appropriation  
16 into the state education trust fund as established in RCW 28B.10.821 to  
17 provide a one-year renewal of the grant for each new recipient of the  
18 educational opportunity grant award. For the purpose of establishing  
19 eligibility for the educational opportunity grant program for  
20 placebound students under RCW 28B.101.020, Thurston county lies within  
21 the branch campus service area of the Tacoma branch campus of the  
22 University of Washington.

23 (8) \$1,900,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$2,117,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely to implement the Washington  
26 scholars program. Any Washington scholars program moneys not awarded  
27 by April 1st of each year may be transferred by the board to the  
28 Washington award for vocational excellence.

29 (9) \$786,000 of the general fund--state appropriation for fiscal  
30 year 2004 and \$830,000 of the general fund--state appropriation for  
31 fiscal year 2005 are provided solely to implement Washington award for  
32 vocational excellence program. Any Washington award for vocational  
33 program moneys not awarded by April 1st of each year may be transferred  
34 by the board to the Washington scholars program.

35 (10) \$246,000 of the general fund--state appropriation for fiscal  
36 year 2004 and \$246,000 of the general fund--state appropriation for  
37 fiscal year 2005 are provided solely for community scholarship matching

1 grants of \$2,000 each. To be eligible for the matching grant, a  
2 nonprofit community organization organized under section 501(c)(3) of  
3 the internal revenue code must demonstrate that it has raised \$2,000 in  
4 new moneys for college scholarships after the effective date of this  
5 act. An organization may receive more than one \$2,000 matching grant  
6 and preference shall be given to organizations affiliated with the  
7 citizens' scholarship foundation.

8 (11) Subject to state need grant service requirements pursuant to  
9 chapter 28B.119 RCW, \$6,050,000 of the general fund--state  
10 appropriation for fiscal year 2004 and \$6,050,000 of the general fund--  
11 state appropriation for fiscal year 2005 are provided solely for the  
12 Washington promise scholarship program.

13 (12) \$2,649,000 of the general fund--state appropriation for fiscal  
14 year 2004 and \$2,649,000 of the general fund--state appropriation for  
15 fiscal year 2005 are provided solely for financial aid administration,  
16 in addition to the four percent cost allowance provision for state work  
17 study under subsection (6) of this section. These funds are provided  
18 to administer all the financial aid and grant programs assigned to the  
19 board by the legislature and administered by the agency. To the extent  
20 the executive director finds the agency will not require the full sum  
21 provided in this subsection, a portion may be transferred to supplement  
22 financial grants-in-aid to eligible clients after notifying the board  
23 and the office of financial management of the intended transfer.

24 (13) \$539,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$540,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely for the displaced homemakers  
27 program.

28 **NEW SECTION. Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**  
29 **COORDINATING BOARD**

30	General Fund--State Appropriation (FY 2004) . . . . .	\$1,666,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$1,624,000
32	General Fund--Federal Appropriation . . . . .	\$53,796,000
33	TOTAL APPROPRIATION . . . . .	\$57,086,000

34 The appropriations in this section are subject to the following  
35 conditions and limitations: \$485,000 of the general fund--state  
36 appropriation for fiscal year 2004 and \$485,000 of the general fund--

1 state appropriation for fiscal year 2005 are provided solely for the  
2 operations and development of the inland northwest technology education  
3 center (INTEC) as a regional resource and model for the rapid  
4 deployment of skilled workers trained in the latest technologies for  
5 Washington. The board shall serve as an advisor to and fiscal agent  
6 for INTEC, and will report back to the governor and legislature by  
7 September 2004 as to the progress and future steps for INTEC as this  
8 new public-private partnership evolves.

9 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**  
10 **AND TECHNOLOGY INSTITUTE**

11	General Fund--State Appropriation (FY 2004) . . . . .	\$1,405,000
12	General Fund--State Appropriation (FY 2005) . . . . .	\$1,423,000
13	TOTAL APPROPRIATION . . . . .	\$2,828,000

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

15	General Fund--State Appropriation (FY 2004) . . . . .	\$2,250,000
16	General Fund--State Appropriation (FY 2005) . . . . .	\$2,256,000
17	General Fund--Federal Appropriation . . . . .	\$1,026,000
18	TOTAL APPROPRIATION . . . . .	\$5,532,000

19 NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE HISTORICAL**  
20 **SOCIETY**

21	General Fund--State Appropriation (FY 2004) . . . . .	\$2,399,000
22	General Fund--State Appropriation (FY 2005) . . . . .	\$2,466,000
23	TOTAL APPROPRIATION . . . . .	\$4,865,000

24 NEW SECTION. **Sec. 616. FOR THE EASTERN WASHINGTON STATE**  
25 **HISTORICAL SOCIETY**

26	General Fund--State Appropriation (FY 2004) . . . . .	\$1,434,000
27	General Fund--State Appropriation (FY 2005) . . . . .	\$1,465,000
28	TOTAL APPROPRIATION . . . . .	\$2,899,000

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

30	General Fund--State Appropriation (FY 2004) . . . . .	\$4,655,000
31	General Fund--State Appropriation (FY 2005) . . . . .	\$4,700,000
32	General Fund--Private/Local Appropriation . . . . .	\$1,335,000

1 TOTAL APPROPRIATION . . . . . \$10,690,000

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

3 General Fund--State Appropriation (FY 2004) . . . . . \$7,629,000

4 General Fund--State Appropriation (FY 2005) . . . . . \$7,630,000

5 General Fund--Private/Local Appropriation . . . . . \$232,000

6 TOTAL APPROPRIATION . . . . . \$15,491,000

(End of part)

PART VII  
SPECIAL APPROPRIATIONS

**NEW SECTION. Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund--State Appropriation (FY 2004)	\$570,186,000
General Fund--State Appropriation (FY 2005)	\$626,814,000
Debt-Limit General Fund Bond Retirement Account--	
State Appropriation	\$10,000,000
State Building Construction Account--State	
Appropriation	\$7,014,000
Debt-Limit Reimbursable Bond Retirement Account--	
State Appropriation	\$2,587,000
State Taxable Building Construction Account--	
State Appropriation	\$322,000
TOTAL APPROPRIATION	\$1,216,923,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

**NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES**

State Convention and Trade Center Account--	
State Appropriation	\$29,014,000
Accident Account--State Appropriation	\$5,113,000
Medical Aid Account--State Appropriation	\$5,113,000
TOTAL APPROPRIATION	\$39,240,000

**NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**

1	<b>GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE</b>	
2	General Fund--State Appropriation (FY 2004) . . . . .	\$26,394,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$24,805,000
4	Capitol Historic District Construction	
5	Account--State Appropriation . . . . .	\$299,000
6	Higher Education Construction Account--State	
7	Appropriation . . . . .	\$238,000
8	State Vehicle Parking Account--State	
9	Appropriation . . . . .	\$102,000
10	Nondebt-Limit Reimbursable Bond Retirement Account--	
11	State Appropriation . . . . .	\$128,375,000
12	TOTAL APPROPRIATION . . . . .	\$180,213,000

13       The appropriations in this section are subject to the following  
14 conditions and limitations: The general fund appropriation is for  
15 deposit into the nondebt-limit general fund bond retirement account.

16       NEW SECTION.   **Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT**  
17 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**  
18 **BOND SALE EXPENSES**

19	General Fund--State Appropriation (FY 2004) . . . . .	\$526,000
20	General Fund--State Appropriation (FY 2005) . . . . .	\$526,000
21	Higher Education Construction Account--State	
22	Appropriation . . . . .	\$35,000
23	State Building Construction Account--State	
24	Appropriation . . . . .	\$2,032,000
25	State Vehicle Parking Account--State	
26	Appropriation . . . . .	\$17,000
27	Capitol Historic District Construction	
28	Account--State Appropriation . . . . .	\$45,000
29	State Taxable Building Construction Account--	
30	State Appropriation . . . . .	\$50,000
31	TOTAL APPROPRIATION . . . . .	\$3,231,000

32       NEW SECTION.   **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
33 **FIRE CONTINGENCY POOL.** The sum of \$4,000,000 is appropriated from the  
34 disaster response account for the purpose of making allocations to the

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

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

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

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

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

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

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

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

24 (2) To facilitate the transfer of moneys from dedicated funds and  
25 accounts, the state treasurer is directed to transfer sufficient moneys  
26 from each dedicated fund or account to the revolving fund revolving  
27 account, hereby created in the state treasury, in accordance with  
28 schedules provided by the office of financial management.

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

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

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

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

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

12	General Fund--State Appropriation (FY 2005) . . . . .	\$3,000,000
13	Salary and Insurance Increase Revolving Account	
14	Appropriation . . . . .	\$2,460,000
15	TOTAL APPROPRIATION . . . . .	\$5,460,000

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

19 (1) Funding is provided to increase the current salary range of  
20 those state and higher education classified and exempt classes under  
21 the Washington personnel resources board whose current base salary is  
22 the greatest number of ranges from their approved survey applied salary  
23 range as determined under RCW 41.06.160.

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

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

28	General Fund--State Appropriation (FY 2004) . . . . .	\$12,846,000
29	General Fund--State Appropriation (FY 2005) . . . . .	\$41,009,000
30	General Fund--Federal Appropriation . . . . .	\$10,506,000
31	General Fund--Private/Local Appropriation . . . . .	\$1,330,000
32	Salary and Insurance Increase Revolving Account	
33	Appropriation . . . . .	\$51,315,000
34	TOTAL APPROPRIATION . . . . .	\$117,006,000

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

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

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

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

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

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

31 (3) The health care authority, subject to the approval of the  
32 public employees' benefits board, shall provide subsidies for health  
33 benefit premiums to eligible retired or disabled public employees and  
34 school district employees who are eligible for parts A and B of  
35 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through  
36 December 31, 2004, the subsidy shall be \$109.22. Starting January 1,  
37 2005, the subsidy shall be \$132.20 per month.

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

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

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

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

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

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

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

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

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

1	General Fund--State Appropriation (FY 2004) . . . . .	\$6,000,000
2	General Fund--State Appropriation (FY 2005) . . . . .	\$6,000,000
3	(3) There is appropriated for contributions to the judges	
4	retirement system:	
5	General Fund--State Appropriation (FY 2004) . . . . .	\$500,000
6	General Fund--State Appropriation (FY 2005) . . . . .	\$500,000
7	TOTAL APPROPRIATION . . . . .	\$55,000,000

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

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

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

24        NEW SECTION.    **Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**  
25        **PENSION SAVINGS.**

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

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

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

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

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

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

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

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

32 (2) The appropriations in this section are sufficient to fund a 2.0  
33 percent salary increase effective September 1, 2004, for general  
34 government, legislative, and judicial employees exempt from merit  
35 system rules whose maximum salaries are not set by the commission on  
36 salaries for elected officials.

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

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

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

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

14	General Fund--State Appropriation (FY 2004) . . . . .	\$10,468,000
15	General Fund--State Appropriation (FY 2005) . . . . .	\$10,468,000
16	TOTAL APPROPRIATION . . . . .	\$20,936,000

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

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

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

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

1 (3) For purposes of this section, the total amount of unspent state  
2 general fund appropriations does not include the appropriations made in  
3 this section, in sections 719 and 720 of this act, or any amounts  
4 included in across-the-board allotment reductions under RCW 43.88.110.

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

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

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

17 (3) For purposes of this section, the total amount of unspent state  
18 general fund appropriations does not include the appropriations made in  
19 this section, in sections 719 and 720 of this act, or any amounts  
20 included in across-the-board allotment reductions under RCW 43.88.110.

21 NEW SECTION. **Sec. 719. AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT,**  
22 **AND PERSONAL SERVICE CONTRACTS.** The office of financial management  
23 shall reduce allotments for all agencies for personal service  
24 contracts, equipment, and travel by \$20,000,000 from 2003-05 biennial  
25 general fund appropriations in this act to reflect the elimination of  
26 expenditures identified in LEAP document 2003-36, a computerized  
27 tabulation developed by the legislative evaluation and accountability  
28 program committee on April 25, 2003. The general fund allotment  
29 reduction shall be placed in unallotted status and remain unexpended.

30 NEW SECTION. **Sec. 720. AGENCY EXPENDITURES FOR TORT LIABILITY.**  
31 The office of financial management shall reduce allotments for all  
32 agencies by \$18,000,000 from 2003-05 biennial general fund  
33 appropriations in this act to reflect the reduction in contributions to

1 the liability account. The general fund allotment reduction shall be  
2 placed in unallotted status and remain unexpended.

3 NEW SECTION. **Sec. 721. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**  
4 **AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

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

6 The appropriation in this section is subject to the following  
7 conditions and limitations: The director of the department of  
8 community, trade, and economic development shall distribute the  
9 appropriations to the following counties and health districts in the  
10 amounts designated:

11	<b>Health District</b>	<b>FY 2004</b>
12	Adams County Health District	\$30,951
13	Asotin County Health District	\$67,714
14	Benton-Franklin Health District	\$1,165,612
15	Chelan-Douglas Health District	\$184,761
16	Clallam County Health and Human Services Department	\$141,752
17	Southwest Washington Health District	\$1,084,473
18	Columbia County Health District	\$40,529
19	Cowlitz County Health Department	\$278,560
20	Garfield County Health District	\$15,028
21	Grant County Health District	\$118,595
22	Grays Harbor Health Department	\$183,870
23	Island County Health Department	\$91,892
24	Jefferson County Health and Human Services	\$85,782
25	Seattle-King County Department of Public Health	\$9,531,747
26	Bremerton-Kitsap County Health District	\$554,669
27	Kittitas County Health Department	\$92,499
28	Klickitat County Health Department	\$62,402
29	Lewis County Health Department	\$105,801
30	Lincoln County Health Department	\$29,705
31	Mason County Department of Health Services	\$95,988
32	Okanogan County Health District	\$63,458
33	Pacific County Health Department	\$77,427
34	Tacoma-Pierce County Health Department	\$2,820,590

1	San Juan County Health and Community Services	\$37,531
2	Skagit County Health Department	\$223,927
3	Snohomish Health District	\$2,258,207
4	Spokane County Health District	\$2,101,429
5	Northeast Tri-County Health District	\$110,454
6	Thurston County Health Department	\$600,419
7	Wahkiakum County Health Department	\$13,773
8	Walla Walla County-City Health Department	\$172,062
9	Whatcom County Health Department	\$855,863
10	Whitman County Health Department	\$78,733
11	Yakima Health District	\$623,797
12	<b>TOTAL APPROPRIATIONS</b>	<b>\$24,000,000</b>

13        NEW SECTION.    **Sec. 722. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**  
14 **AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE**

15	General Fund--State Appropriation (FY 2004) . . . . .	\$1,500,000
16	General Fund--State Appropriation (FY 2005) . . . . .	\$1,500,000
17	TOTAL APPROPRIATION . . . . .	\$3,000,000

18        The appropriations in this section are subject to the following  
19 conditions and limitations: The director of community, trade, and  
20 economic development shall distribute the appropriations in this  
21 section to the following counties in the amounts designated:

22		<b>2004</b>	<b>2005</b>
23	Garfield	\$290,000	\$290,000
24	Columbia	\$200,500	\$200,500
25	Wahkiakum	\$129,500	\$129,500
26	Ferry	\$99,500	\$99,500
27	Okanogan	\$140,000	\$140,000
28	Asotin	\$108,500	\$108,500
29	Stevens	\$209,000	\$209,000
30	Douglas	\$132,000	\$132,000
31	Lincoln	\$75,500	\$75,500
32	Pend Oreille	\$71,500	\$71,500
33	Skamania	\$44,000	\$44,000
34	<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>

1        NEW SECTION.    **Sec. 723. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**  
2 **AND ECONOMIC DEVELOPMENT--MUNICIPAL ASSISTANCE**

3    General Fund--State Appropriation (FY 2004) . . . . . \$3,500,000

4        The appropriation in this section is subject to the following  
5 conditions and limitations:    The director of community, trade, and  
6 economic development shall distribute the appropriation in this section  
7 to the following cities in the amounts designated:

	<u>2004</u>
8	
9	Airway Heights                    \$5,000
10	Albion                                \$24,000
11	Almira                                \$1,000
12	Asotin                                \$10,000
13	Benton City                        \$15,000
14	Black Diamond                    \$18,000
15	Bridgeport                         \$68,000
16	Brier                                 \$129,000
17	Bucoda                                \$15,000
18	Carbonado                         \$15,000
19	Cashmere                         \$13,000
20	Cheney                                \$19,000
21	Chewelah                            \$1,000
22	Colfax                                \$1,000
23	College Place                     \$138,000
24	Colton                                \$5,000
25	Conconully                         \$4,000
26	Concrete                            \$1,000
27	Connell                               \$27,000
28	Coulee Dam                        \$6,000
29	Covington                         \$117,000
30	Creston                              \$2,000
31	Cusick                                \$750
32	Darrington                         \$6,000
33	Davenport                         \$4,000
34	Dayton                                \$1,000

1	Des Moines	\$161,000
2	Edgewood	\$272,000
3	Electric City	\$27,000
4	Elma	\$2,000
5	Elmer City	\$11,000
6	Endicott	\$10,000
7	Entiat	\$10,000
8	Everson	\$5,000
9	Fairfield	\$1,000
10	Farmington	\$3,000
11	Fircrest	\$50,000
12	Forks	\$5,000
13	Garfield	\$12,000
14	George	\$2,000
15	Gold Bar	\$29,000
16	Grandview	\$15,000
17	Granger	\$28,000
18	Hamilton	\$4,000
19	Harrah	\$16,000
20	Harrington	\$1,000
21	Hartline	\$3,000
22	Hatton	\$4,000
23	Hoquiam	\$19,000
24	Index	\$500
25	Ione	\$2,000
26	Kahlotus	\$6,000
27	Kenmore	\$132,000
28	Kettle Falls	\$4,000
29	Kittitas	\$17,000
30	Krupp	\$1,000
31	Lacrosse	\$3,000
32	Lake Forest Park	\$136,000
33	Lake Stevens	\$5,000
34	Lakewood	\$350,000
35	Lamont	\$2,000
36	Latah	\$3,000
37	Lyman	\$3,000

1	Mabton	\$51,000
2	Malden	\$8,000
3	Mansfield	\$8,000
4	Maple Valley	\$17,000
5	Marcus	\$3,000
6	Mattawa	\$17,000
7	McCleary	\$15,000
8	Medical Lake	\$10,000
9	Mesa	\$2,000
10	Metaline	\$2,000
11	Metaline Falls	\$1,000
12	Mossyrock	\$1,000
13	Mountlake Terrace	\$32,000
14	Moxee	\$2,000
15	Napavine	\$19,000
16	Nespelem	\$6,000
17	Newcastle	\$2,000
18	Nooksack	\$13,000
19	Normandy Park	\$82,000
20	North Bonneville	\$2,000
21	Northport	\$7,000
22	Oakesdale	\$3,000
23	Oakville	\$7,000
24	Orting	\$12,000
25	Palouse	\$7,000
26	Pateros	\$1,000
27	Pe Ell	\$20,000
28	Pomeroy	\$3,000
29	Prescott	\$1,000
30	Pullman	\$21,000
31	Rainier	\$27,000
32	Raymond	\$750
33	Reardan	\$8,000
34	Republic	\$1,000
35	Riverside	\$7,000
36	Rock Island	\$6,000
37	Rockford	\$2,000

1	Rosalia	\$6,000
2	Roslyn	\$11,000
3	Royal City	\$12,000
4	Ruston	\$8,000
5	Sammamish	\$320,000
6	Shoreline	\$65,000
7	Soap Lake	\$19,000
8	South Bend	\$5,000
9	South Cle Elum	\$11,000
10	South Prairie	\$2,000
11	Sprague	\$1,000
12	Springdale	\$1,000
13	Starbuck	\$3,000
14	Steilacoom	\$19,000
15	Tekoa	\$5,000
16	Tenino	\$7,000
17	Tieton	\$12,000
18	Toppenish	\$63,000
19	Uniontown	\$3,000
20	University Place	\$306,000
21	Vader	\$12,000
22	Waitsburg	\$15,000
23	Wapato	\$35,000
24	Warden	\$10,000
25	Washtucna	\$7,000
26	Waterville	\$13,000
27	Waverly	\$3,000
28	West Richland	\$84,000
29	White Salmon	\$1,000
30	Wilbur	\$1,000
31	Wilkeson	\$1,000
32	Wilson Creek	\$3,000
33	Yacolt	\$4,000
34	Zillah	\$5,000
35	<b>TOTAL</b>	<b>\$3,500,000</b>

1        NEW SECTION.    **Sec. 724. FOR SUNDRY CLAIMS.**    The following sums,  
 2 or so much thereof as may be necessary, are appropriated from the  
 3 general fund, unless otherwise indicated, for relief of various  
 4 individuals, firms, and corporations for sundry claims.    These  
 5 appropriations are to be disbursed on vouchers approved by the director  
 6 of general administration, except as otherwise provided, as follows:

- 7        (1) Reimbursement of criminal defendants acquitted on the basis of  
 8 self-defense, pursuant to RCW 9A.16.110:    Kelly C. Schwartz, claim  
 9 number SCJ 03-10 . . . . . \$18,250
- 10        (2) Payment from the state wildlife account for damage to crops by  
 11 wildlife, pursuant to RCW 77.36.050:
- 12        (a) Circle S Landscape Supplies, claim number  
 13 SCG 03-05 . . . . . \$49,380
- 14        (b) Marilyn Lund Farms, claim number SCG 03-08 . . . . . \$17,175
- 15        (c) Paul Gibbons, claim number SCG 03-09 . . . . . \$12,414
- 16        (d) Bud Hamilton, claim number SCG 03-10 . . . . . \$15,591

17        NEW SECTION.    **Sec. 725. FOR THE CIVIL LEGAL SERVICES ACCOUNT**

18	General Fund--State Appropriation (FY 2004) . . . . .	\$2,326,000
19	General Fund--State Appropriation (FY 2005) . . . . .	\$2,326,000
20	Public Safety and Education Account--State	
21	Appropriation . . . . .	\$4,609,000
22	TOTAL APPROPRIATION . . . . .	\$9,261,000

23        The appropriations in this section are subject to the following  
 24 conditions and limitations:    The entire appropriation is provided  
 25 solely for deposit in the civil legal services account.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION. Sec. 801. FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

Table with 2 columns: Description and Amount. Rows include: General Fund Appropriation for fire insurance premium distributions (\$8,920,350), General Fund Appropriation for public utility district excise tax distributions (\$39,273,684), General Fund Appropriation for prosecuting attorney distributions (\$3,441,197), General Fund Appropriation for boating safety and education distributions (\$4,074,300), General Fund Appropriation for other tax distributions (\$34,750), Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies (\$2,123,723), Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution (\$187,068), Timber Tax Distribution Account Appropriation for distribution to "timber" counties (\$51,192,170), County Criminal Justice Assistance Appropriation (\$52,175,755), Municipal Criminal Justice Assistance Appropriation (\$21,086,550), Liquor Excise Tax Account Appropriation for liquor excise tax distribution (\$32,624,831), Liquor Revolving Account Appropriation for liquor profits distribution (\$57,511,693), and TOTAL APPROPRIATION (\$272,646,071).

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.

1            NEW SECTION.    **Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY**  
2 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

3 Impaired Driving Safety Account Appropriation . . . . . \$1,896,502

4            The appropriation in this section is subject to the following  
5 conditions and limitations: The amount appropriated in this section  
6 shall be distributed quarterly during the 2003-05 biennium in  
7 accordance with RCW 82.14.310. This funding is provided to counties  
8 for the costs of implementing criminal justice legislation including,  
9 but not limited to: Chapter 206, Laws of 1998 (drunk driving  
10 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,  
11 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998  
12 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock  
13 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,  
14 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication  
15 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter  
16 215, Laws of 1998 (DUI provisions).

17            NEW SECTION.    **Sec. 803. FOR THE STATE TREASURER--FOR THE MUNICIPAL**  
18 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

19 Impaired Driving Safety Account Appropriation . . . . . \$1,264,335

20            The appropriation in this section is subject to the following  
21 conditions and limitations: The amount appropriated in this section  
22 shall be distributed quarterly during the 2003-05 biennium to all  
23 cities ratably based on population as last determined by the office of  
24 financial management. The distributions to any city that substantially  
25 decriminalizes or repeals its criminal code after July 1, 1990, and  
26 that does not reimburse the county for costs associated with criminal  
27 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in  
28 which the city is located. This funding is provided to cities for the  
29 costs of implementing criminal justice legislation including, but not  
30 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);  
31 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998  
32 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license  
33 suspension); chapter 210, Laws of 1998 (ignition interlock violations);  
34 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998  
35 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels

1 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,  
2 Laws of 1998 (DUI provisions).

3 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**  
4 **FOR DISTRIBUTION**

5	General Fund Appropriation for federal grazing	
6	fees distribution . . . . .	\$1,293,828
7	General Fund Appropriation for federal flood	
8	control funds distribution . . . . .	\$25,050
9	Forest Reserve Fund Appropriation for federal	
10	forest reserve fund distribution . . . . .	\$83,492,373
11	TOTAL APPROPRIATION . . . . .	\$84,811,251

12 The total expenditures from the state treasury under the  
13 appropriations in this section shall not exceed the funds available  
14 under statutory distributions for the stated purposes.

15 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS**

16 For transfers in this section to the state general fund, pursuant  
17 to RCW 43.135.035(5), the state expenditure limit shall be increased by  
18 the amount of the transfer. The increase shall occur in the fiscal  
19 year in which the transfer occurs.

20	State Convention and Trade Center Account:	
21	For transfer to the state general fund . . . . .	\$10,000,000
22	County Sale/Use Tax Equalization Account:	
23	For transfer to the state general fund for	
24	fiscal year 2004 . . . . .	\$74,000
25	Municipal Sale/Use Tax Equalization Account:	
26	For transfer to the state general fund for	
27	fiscal year 2004 . . . . .	\$374,000
28	Asbestos Account: For transfer to the state	
29	general fund . . . . .	\$200,000
30	Electrical License Account: For transfer	
31	to the state general fund . . . . .	\$7,000,000
32	Local Toxics Control Account: For transfer	
33	to the state toxics control account . . . . .	\$4,059,000
34	Pressure Systems Safety Account: For transfer	
35	to the state general fund . . . . .	\$1,000,000

1 Health Services Account: For transfer  
2 to the water quality account . . . . . \$8,182,000  
3 State Treasurer's Service Account: For  
4 transfer to the general fund . . . . . \$10,000,000  
5 Public Works Assistance Account: For  
6 transfer to the drinking water  
7 assistance account . . . . . \$8,387,000  
8 Tobacco Settlement Account: For transfer  
9 to the health services account, in an  
10 amount not to exceed the actual balance  
11 of the tobacco settlement account. The  
12 transfer from the tobacco settlement account  
13 reflects revenues to be collected under  
14 Substitute House Bill No. 2038 (tobacco escrow  
15 refund provisions) . . . . . \$185,000,000  
16 Health Service Account: For transfer  
17 to the violence reduction and drug  
18 enforcement account . . . . . \$7,789,000  
19 Nisqually Earthquake Account: For transfer to  
20 the disaster response account . . . . . \$6,200,000  
21 Industrial Insurance Premium Refund Account:  
22 For transfer to the state general fund . . . . . \$577,000  
23 Public Service Revolving Account: For transfer  
24 to the state general fund . . . . . \$1,000,000  
25 Gambling Revolving Account: For transfer  
26 to the state general fund . . . . . \$1,500,000  
27 State Forest Nursery Revolving Account: For transfer  
28 to the state general fund, \$250,000 for fiscal  
29 year 2004 and \$250,000 for fiscal year 2005 . . . . . \$500,000  
30 Flood Control Assistance Account: For transfer  
31 to the state general fund, \$1,350,000 for  
32 fiscal year 2004 and \$1,350,000 for fiscal  
33 year 2005 . . . . . \$2,700,000  
34 Water Quality Account: For transfer to the water  
35 pollution control account . . . . . \$10,500,000  
36 General Fund: For transfer to the water quality  
37 account, \$3,870,000 for fiscal year 2004 and

1       \$4,557,000 for fiscal year 2005 . . . . . \$8,427,000  
 2 Insurance Commissioner's Regulatory Account:  
 3       For transfer to the state general fund . . . . . \$1,000,000  
 4 Health Services Account: For transfer to the  
 5       tobacco prevention and control account . . . . . \$24,216,000  
 6 From the Emergency Reserve Fund: For transfer  
 7       to the state general fund, not to exceed  
 8       the actual balance of the emergency reserve fund.  
 9       This transfer is intended to liquidate the  
 10       emergency reserve fund . . . . . \$57,046,000  
 11 Department of Retirement Systems Expense Account:  
 12       For transfer to the state general fund . . . . . \$1,500,000  
 13 Woodstove Education and Enforcement Account:  
 14       For transfer to the air pollution control account . . . . \$600,000  
 15 General Fund State: For transfer to the  
 16       student achievement fund for fiscal year 2005 . . . . \$42,111,000

17       NEW SECTION.   **Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--**  
 18       **TRANSFERS**

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

(End of part)

**PART IX**  
**MISCELLANEOUS**

1  
2  
3       NEW SECTION.   **Sec. 901. EXPENDITURE AUTHORIZATIONS.**       The  
4 appropriations contained in this act are maximum expenditure  
5 authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the  
6 treasury on the basis of a formal loan agreement shall be recorded as  
7 loans receivable and not as expenditures for accounting purposes. To  
8 the extent that moneys are disbursed on a loan basis, the corresponding  
9 appropriation shall be reduced by the amount of loan moneys disbursed  
10 from the treasury during the 2001-03 biennium.

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

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

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

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

1 (e) Progress toward enabling electronic access to public  
2 information.

3 (3) Each project will be planned and designed to take optimal  
4 advantage of Internet technologies and protocols. Agencies shall  
5 ensure that the project is in compliance with the architecture,  
6 infrastructure, principles, policies, and standards of digital  
7 government as maintained by the information services board.

8 (4) The agency shall produce a feasibility study for information  
9 technology projects at the direction of the information services board  
10 and in accordance with published department of information services  
11 policies and guidelines. At a minimum, such studies shall include a  
12 statement of: (a) The purpose or impetus for change; (b) the business  
13 value to the agency, including an examination and evaluation of  
14 benefits, advantages, and cost; (c) a comprehensive risk assessment  
15 based on the proposed project's impact on both citizens and state  
16 operations, its visibility, and the consequences of doing nothing; (d)  
17 the impact on agency and statewide information infrastructure; and (e)  
18 the impact of the proposed enhancements to an agency's information  
19 technology capabilities on meeting service delivery demands.

20 (5) The agency shall produce a comprehensive management plan for  
21 each project. The plan or plans shall address all factors critical to  
22 successful completion of each project. The plan(s) shall include, but  
23 is not limited to, the following elements: A description of the  
24 problem or opportunity that the information technology project is  
25 intended to address; a statement of project objectives and assumptions;  
26 a definition and schedule of phases, tasks, and activities to be  
27 accomplished; and the estimated cost of each phase. The planning for  
28 the phased approach shall be such that the business case justification  
29 for a project needs to demonstrate how the project recovers cost or  
30 adds measurable value or positive cost benefit to the agency's business  
31 functions within each development cycle.

32 (6) The agency shall produce quality assurance plans for  
33 information technology projects. Consistent with the direction of the  
34 information services board and the published policies and guidelines of  
35 the department of information services, the quality assurance plan  
36 shall address all factors critical to successful completion of the  
37 project and successful integration with the agency and state

1 information technology infrastructure. At a minimum, quality assurance  
2 plans shall provide time and budget benchmarks against which project  
3 progress can be measured, a specification of quality assurance  
4 responsibilities, and a statement of reporting requirements. The  
5 quality assurance plans shall set out the functionality requirements  
6 for each phase of a project.

7 (7) A copy of each feasibility study, project management plan, and  
8 quality assurance plan shall be provided to the department of  
9 information services, the office of financial management, and  
10 legislative fiscal committees. The plans and studies shall demonstrate  
11 a sound business case that justifies the investment of taxpayer funds  
12 on any new project, an assessment of the impact of the proposed system  
13 on the existing information technology infrastructure, the disciplined  
14 use of preventative measures to mitigate risk, and the leveraging of  
15 private-sector expertise as needed. Authority to expend any funds for  
16 individual information systems projects is conditioned on the approval  
17 of the relevant feasibility study, project management plan, and quality  
18 assurance plan by the department of information services and the office  
19 of financial management.

20 (8) Quality assurance status reports shall be submitted to the  
21 department of information services, the office of financial management,  
22 and legislative fiscal committees at intervals specified in the  
23 project's quality assurance plan.

24 NEW SECTION. **Sec. 903. VIDEO TELECOMMUNICATIONS.** The department  
25 of information services shall act as lead agency in coordinating video  
26 telecommunications services for state agencies. As lead agency, the  
27 department shall develop standards and common specifications for leased  
28 and purchased telecommunications equipment and assist state agencies in  
29 developing a video telecommunications expenditure plan. No agency may  
30 spend any portion of any appropriation in this act for new video  
31 telecommunication equipment, new video telecommunication transmission,  
32 or new video telecommunication programming, or for expanding current  
33 video telecommunication systems without first complying with chapter  
34 43.105 RCW, including but not limited to, RCW 43.105.041(2), and  
35 without first submitting a video telecommunications expenditure plan,  
36 in accordance with the policies of the department of information

1 services, for review and assessment by the department of information  
2 services under RCW 43.105.052. Prior to any such expenditure by a  
3 public school, a video telecommunications expenditure plan shall be  
4 approved by the superintendent of public instruction. The office of  
5 the superintendent of public instruction shall submit the plans to the  
6 department of information services in a form prescribed by the  
7 department. The office of the superintendent of public instruction  
8 shall coordinate the use of video telecommunications in public schools  
9 by providing educational information to local school districts and  
10 shall assist local school districts and educational service districts  
11 in telecommunications planning and curriculum development. Prior to  
12 any such expenditure by a public institution of postsecondary  
13 education, a telecommunications expenditure plan shall be approved by  
14 the higher education coordinating board. The higher education  
15 coordinating board shall coordinate the use of video telecommunications  
16 for instruction and instructional support in postsecondary education,  
17 including the review and approval of instructional telecommunications  
18 course offerings.

19 NEW SECTION. **Sec. 904. PROGRAM COST SHIFTS.** Any program costs  
20 or moneys in this act that are shifted to the general fund from another  
21 fund or account require an adjustment to the expenditure limit under  
22 RCW 43.135.035(5).

23 NEW SECTION. **Sec. 905. EMERGENCY FUND ALLOCATIONS.** Whenever  
24 allocations are made from the governor's emergency fund appropriation  
25 to an agency that is financed in whole or in part by other than general  
26 fund moneys, the director of financial management may direct the  
27 repayment of such allocated amount to the general fund from any balance  
28 in the fund or funds which finance the agency. No appropriation shall  
29 be necessary to effect such repayment.

30 NEW SECTION. **Sec. 906. STATUTORY APPROPRIATIONS.** In addition  
31 to the amounts appropriated in this act for revenues for distribution,  
32 state contributions to the law enforcement officers' and fire fighters'  
33 retirement system plan 2, and bond retirement and interest including  
34 ongoing bond registration and transfer charges, transfers, interest on

1 registered warrants, and certificates of indebtedness, there is also  
2 appropriated such further amounts as may be required or available for  
3 these purposes under any statutory formula or under chapters 39.94 and  
4 39.96 RCW or any proper bond covenant made under law.

5 NEW SECTION. **Sec. 907. BOND EXPENSES.** In addition to such other  
6 appropriations as are made by this act, there is hereby appropriated to  
7 the state finance committee from legally available bond proceeds in the  
8 applicable construction or building funds and accounts such amounts as  
9 are necessary to pay the expenses incurred in the issuance and sale of  
10 the subject bonds.

11 NEW SECTION. **Sec. 908. VOLUNTARY SEPARATION INCENTIVES.** As a  
12 management tool to reduce costs and make more effective use of  
13 resources, while improving employee productivity and morale, agencies  
14 may offer voluntary separation and/or downshifting incentives and  
15 options according to procedures and guidelines established by the  
16 department of personnel and the department of retirement systems in  
17 consultation with the office of financial management. The options may  
18 include, but are not limited to, financial incentives for: Voluntary  
19 resignation and retirement, voluntary leave-without-pay, voluntary  
20 workweek or work hour reduction, voluntary downward movement, or  
21 temporary separation for development purposes. No employee shall have  
22 a contractual right to a financial incentive offered pursuant to this  
23 section.

24 Agencies shall report on the outcomes of their plans, and offers  
25 shall be reviewed and monitored jointly by the department of personnel  
26 and the department of retirement systems, for reporting to the office  
27 of financial management by December 1, 2004.

28 NEW SECTION. **Sec. 909. VOLUNTARY RETIREMENT INCENTIVES.** It is  
29 the intent of the legislature that agencies may implement a voluntary  
30 retirement incentive program that is cost neutral or results in cost  
31 savings provided that such a program is approved by the director of  
32 retirement systems and the office of financial management. Agencies  
33 participating in this authorization are required to submit a report by  
34 June 30, 2005, to the legislature and the office of financial

1 management on the outcome of their approved retirement incentive  
2 program. The report should include information on the details of the  
3 program including resulting service delivery changes, agency  
4 efficiencies, the cost of the retirement incentive per participant, the  
5 total cost to the state, and the projected or actual net dollar savings  
6 over the 2003-05 biennium.

7 **Sec. 910.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to  
8 read as follows:

9 There is hereby created the gambling revolving fund which shall  
10 consist of all moneys receivable for licensing, penalties, forfeitures,  
11 and all other moneys, income, or revenue received by the commission.  
12 The state treasurer shall be custodian of the fund. All moneys  
13 received by the commission or any employee thereof, except for change  
14 funds and an amount of petty cash as fixed by rule or regulation of the  
15 commission, shall be deposited each day in a depository approved by the  
16 state treasurer and transferred to the state treasurer to be credited  
17 to the gambling revolving fund. Disbursements from the revolving fund  
18 shall be on authorization of the commission or a duly authorized  
19 representative thereof. In order to maintain an effective expenditure  
20 and revenue control the gambling revolving fund shall be subject in all  
21 respects to chapter 43.88 RCW but no appropriation shall be required to  
22 permit expenditures and payment of obligations from such fund. All  
23 expenses relative to commission business, including but not limited to  
24 salaries and expenses of the director and other commission employees  
25 shall be paid from the gambling revolving fund.

26 During the ((2001-2003)) 2003-2005 fiscal biennium, the legislature  
27 may transfer from the gambling revolving fund to the state general fund  
28 such amounts as reflect the excess fund balance of the fund ((and  
29 reductions made by the 2002 supplemental appropriations act for  
30 administrative efficiencies and savings)).

31 **Sec. 911.** RCW 19.28.351 and 1988 c 81 s 11 are each amended to  
32 read as follows:

33 All sums received from licenses, permit fees, or other sources,  
34 herein shall be paid to the state treasurer and placed in a special  
35 fund designated as the "electrical license fund," and ((by him)) paid

1 out upon vouchers duly and regularly issued therefor and approved by  
2 the director of labor and industries or the director's designee  
3 following determination by the board that the sums are necessary to  
4 accomplish the intent of chapter 19.28 RCW. The treasurer shall keep  
5 an accurate record of payments into, or receipts of, (~~said~~) the fund,  
6 and of all disbursements therefrom.

7 During the 2003-2005 biennium, the legislature may transfer moneys  
8 from the electrical license fund to the state general fund such amounts  
9 as reflect the excess fund balance of the fund.

10 **Sec. 912.** RCW 28A.305.210 and 1975 1st ex.s. c 275 s 51 are each  
11 amended to read as follows:

12 (1) The state board of education, by rule or regulation, may  
13 require the assistance of educational service district boards and/or  
14 superintendents in the performance of any duty, authority, or power  
15 imposed upon or granted to the state board of education by law, upon  
16 such terms and conditions as the state board of education shall  
17 establish. Such authority to assist the state board of education shall  
18 be limited to the service function of information collection and  
19 dissemination and the attestment to the accuracy and completeness of  
20 submitted information.

21 (2) During the 2003-05 biennium, educational service districts may,  
22 at the request of the state board of education, receive and screen  
23 applications for school accreditation, conduct school accreditation  
24 site visits pursuant to state board of education rules, and submit to  
25 the state board of education post-site visit recommendations for school  
26 accreditation. The educational service districts may assess a  
27 cooperative service fee to recover actual plus reasonable indirect  
28 costs for the purposes of this subsection.

29 **Sec. 913.** RCW 28A.500.030 and 2002 c 317 s 4 are each amended to  
30 read as follows:

31 Allocation of state matching funds to eligible districts for local  
32 effort assistance shall be determined as follows:

33 (1) Funds raised by the district through maintenance and operation  
34 levies shall be matched with state funds using the following ratio of  
35 state funds to levy funds:

1 (a) The difference between the district's twelve percent levy rate  
2 and the statewide average twelve percent levy rate; to

3 (b) The statewide average twelve percent levy rate.

4 (2) The maximum amount of state matching funds for districts  
5 eligible for local effort assistance shall be the district's twelve  
6 percent levy amount, multiplied by the following percentage:

7 (a) The difference between the district's twelve percent levy rate  
8 and the statewide average twelve percent levy rate; divided by

9 (b) The district's twelve percent levy rate.

10 (3) Calendar year 2003 allocations and maximum eligibility under  
11 this chapter shall be multiplied by 0.99.

12 (4) From January 1, 2004, to June 30, 2005, allocations and maximum  
13 eligibility under this chapter shall be multiplied by 0.883.

14 **Sec. 914.** RCW 38.52.106 and 2002 c 371 s 904 are each amended to  
15 read as follows:

16 The Nisqually earthquake account is created in the state treasury.  
17 Moneys may be placed in the account from tax revenues, budget transfers  
18 or appropriations, federal appropriations, gifts, or any other lawful  
19 source. Moneys in the account may be spent only after appropriation.  
20 Moneys in the account shall be used only to support state and local  
21 government disaster response and recovery efforts associated with the  
22 Nisqually earthquake. During the ~~((2001-))~~ 2003-2005 fiscal biennium,  
23 the legislature may transfer moneys from the Nisqually earthquake  
24 account to the disaster response account for fire suppression and  
25 mobilization costs ~~((, and costs associated with national security~~  
26 ~~preparedness activities))~~.

27 **Sec. 915.** RCW 43.03.050 and 1990 c 30 s 1 are each amended to read  
28 as follows:

29 (1) The director of financial management shall prescribe reasonable  
30 allowances to cover reasonable and necessary subsistence and lodging  
31 expenses for elective and appointive officials and state employees  
32 while engaged on official business away from their designated posts of  
33 duty. The director of financial management may prescribe and regulate  
34 the allowances provided in lieu of subsistence and lodging expenses and  
35 may prescribe the conditions under which reimbursement for subsistence

1 and lodging may be allowed. The schedule of allowances adopted by the  
2 office of financial management may include special allowances for  
3 foreign travel and other travel involving higher than usual costs for  
4 subsistence and lodging. The allowances established by the director  
5 shall not exceed the rates set by the federal government for federal  
6 employees. However, during the 2003-05 fiscal biennium, the allowances  
7 for any county that is part of a metropolitan statistical area, the  
8 largest city of which is in another state, shall equal the allowances  
9 prescribed for that larger city.

10 (2) Those persons appointed to serve without compensation on any  
11 state board, commission, or committee, if entitled to payment of  
12 travel expenses, shall be paid pursuant to special per diem rates  
13 prescribed in accordance with subsection (1) of this section by the  
14 office of financial management.

15 (3) The director of financial management may prescribe reasonable  
16 allowances to cover reasonable expenses for meals, coffee, and light  
17 refreshment served to elective and appointive officials and state  
18 employees regardless of travel status at a meeting where: (a) The  
19 purpose of the meeting is to conduct official state business or to  
20 provide formal training to state employees or state officials; (b) the  
21 meals, coffee, or light refreshment are an integral part of the meeting  
22 or training session; (c) the meeting or training session takes place  
23 away from the employee's or official's regular workplace; and (d) the  
24 agency head or authorized designee approves payments in advance for the  
25 meals, coffee, or light refreshment. In order to prevent abuse, the  
26 director may regulate such allowances and prescribe additional  
27 conditions for claiming the allowances.

28 (4) Upon approval of the agency head or authorized designee, an  
29 agency may serve coffee or light refreshments at a meeting where: (a)  
30 The purpose of the meeting is to conduct state business or to provide  
31 formal training that benefits the state; and (b) the coffee or light  
32 refreshment is an integral part of the meeting or training session.  
33 The director of financial management shall adopt requirements necessary  
34 to prohibit abuse of the authority authorized in this subsection.

35 (5) The schedule of allowances prescribed by the director under the  
36 terms of this section and any subsequent increases in any maximum  
37 allowance or special allowances for areas of higher than usual costs

1 shall be reported to the ways and means committees of the house of  
2 representatives and the senate at each regular session of the  
3 legislature.

4 **Sec. 916.** RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended  
5 to read as follows:

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

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

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

23 **Sec. 917.** RCW 43.10.180 and 1979 c 151 s 95 are each amended to  
24 read as follows:

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

31 (2) During the 2003-05 fiscal biennium, all expenses for  
32 administration of the office of the attorney general shall be allocated  
33 to and paid from the legal services revolving fund in accordance with  
34 accounting procedures prescribed by the director of financial  
35 management.

1       **Sec. 918.** RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c  
2 289 s 4 are each reenacted and amended to read as follows:

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

1       **Sec. 919.** RCW 43.43.944 and 1999 c 117 s 2 are each amended to  
2 read as follows:

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

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

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

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

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

15       **Sec. 920.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,  
16 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as  
17 follows:

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

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

32       (3) The emergency reserve fund balance shall not exceed five  
33 percent of annual general fund--state revenues as projected by the  
34 official state revenue forecast. Any balance in excess of five percent  
35 shall be transferred on a quarterly basis by the state treasurer as  
36 follows: Seventy-five percent to the student achievement fund hereby

1 created in the state treasury and twenty-five percent to the general  
2 fund balance. The treasurer shall make transfers between these  
3 accounts as necessary to reconcile actual annual revenues for fiscal  
4 year 2000 and thereafter. When per-student state funding for the  
5 maintenance and operation of K-12 education meets a level of no less  
6 than ninety percent of the national average of total funding from all  
7 sources per student as determined by the most recent published data  
8 from the national center for education statistics of the United States  
9 department of education, as calculated by the office of financial  
10 management, further deposits to the student achievement fund shall be  
11 required only to the extent necessary to maintain the ninety-percent  
12 level. Remaining funds are part of the general fund balance and these  
13 funds are subject to the expenditure limits of this chapter.

14 (4) The education construction fund is hereby created in the state  
15 treasury.

16 (a) Funds may be appropriated from the education construction fund  
17 exclusively for common school construction or higher education  
18 construction.

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

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

31 (6) Earnings of the emergency reserve fund under RCW  
32 43.84.092(4)(a) shall be transferred quarterly to the multimodal  
33 transportation account, except for those earnings that are in excess of  
34 thirty-five million dollars each fiscal year. Within thirty days  
35 following any fiscal year in which earnings transferred to the  
36 multimodal transportation account under this subsection did not total  
37 thirty-five million dollars, the state treasurer shall transfer from

1 the emergency reserve fund an amount necessary to bring the total  
2 deposited in the multimodal transportation account under this  
3 subsection to thirty-five million dollars. The revenues to the  
4 multimodal transportation account reflected in this subsection provide  
5 ongoing support for the transportation programs of the state. However,  
6 it is the intent of the legislature that any new long-term financial  
7 support that may be subsequently provided for transportation programs  
8 will be used to replace and supplant the revenues reflected in this  
9 subsection, thereby allowing those revenues to be returned to the  
10 purposes to which they were previously dedicated. No transfers from  
11 the emergency reserve fund to the multimodal fund shall be made during  
12 the 2003-05 fiscal biennium.

13 **Sec. 921.** RCW 48.02.190 and 2002 c 371 s 913 are each amended to  
14 read as follows:

15 (1) As used in this section:

16 (a) "Organization" means every insurer, as defined in RCW  
17 48.01.050, having a certificate of authority to do business in this  
18 state and every health care service contractor registered to do  
19 business in this state. "Class one" organizations shall consist of all  
20 insurers as defined in RCW 48.01.050. "Class two" organizations shall  
21 consist of all organizations registered under provisions of chapter  
22 48.44 RCW.

23 (b) "Receipts" means (i) net direct premiums consisting of direct  
24 gross premiums, as defined in RCW 48.18.170, paid for insurance written  
25 or renewed upon risks or property resident, situated, or to be  
26 performed in this state, less return premiums and premiums on policies  
27 not taken, dividends paid or credited to policyholders on direct  
28 business, and premiums received from policies or contracts issued in  
29 connection with qualified plans as defined in RCW 48.14.021, and (ii)  
30 prepayments to health care service contractors as set forth in RCW  
31 48.44.010(3) less experience rating credits, dividends, prepayments  
32 returned to subscribers, and payments for contracts not taken.

33 (2) The annual cost of operating the office of insurance  
34 commissioner shall be determined by legislative appropriation. A pro  
35 rata share of the cost shall be charged to all organizations. Each

1 class of organization shall contribute sufficient in fees to the  
2 insurance commissioner's regulatory account to pay the reasonable  
3 costs, including overhead, of regulating that class of organization.

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

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

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

29 (6) Unexpended funds in the insurance commissioner's regulatory  
30 account at the close of a fiscal year shall be carried forward in the  
31 insurance commissioner's regulatory account to the succeeding fiscal  
32 year and shall be used to reduce future fees. During the ((2001-2003))  
33 2003-2005 fiscal biennium, the legislature may transfer from the  
34 insurance commissioner's regulatory account to the state general fund  
35 such amounts as reflect excess fund balance in the account.

1       **Sec. 922.** RCW 49.26.130 and 1989 c 154 s 9 are each amended to  
2 read as follows:

3       (1) The department shall administer this chapter.

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

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

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

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

20       **Sec. 923.** RCW 51.44.170 and 2002 c 371 s 916 are each amended to  
21 read as follows:

22       The industrial insurance premium refund account is created in the  
23 custody of the state treasurer. All industrial insurance refunds  
24 earned by state agencies or institutions of higher education under the  
25 state fund retrospective rating program shall be deposited into the  
26 account. The account is subject to the allotment procedures under  
27 chapter 43.88 RCW, but no appropriation is required for expenditures  
28 from the account. Only the executive head of the agency or institution  
29 of higher education, or designee, may authorize expenditures from the  
30 account. No agency or institution of higher education may make an  
31 expenditure from the account for an amount greater than the refund  
32 earned by the agency. If the agency or institution of higher education  
33 has staff dedicated to workers' compensation claims management,  
34 expenditures from the account must be used to pay for that staff, but  
35 additional expenditure from the account may be used for any program  
36 within an agency or institution of higher education that promotes or

1 provides incentives for employee workplace safety and health and early,  
2 appropriate return-to-work for injured employees. During the ((2001-  
3 2003)) 2003-2005 fiscal biennium, the legislature may transfer from the  
4 industrial insurance premium refund account to the state general fund  
5 such amounts as reflect the ((~~reductions made by the 2002 supplemental~~  
6 ~~appropriations act for administrative efficiencies and savings~~)) excess  
7 fund balance of the account.

8 **Sec. 924.** RCW 66.16.080 and 1988 c 101 s 1 are each amended to  
9 read as follows:

10 No sale or delivery of liquor shall be made on or from the premises  
11 of any state liquor store, nor shall any store be open for the sale of  
12 liquor, on Sunday, unless the board determines that unique  
13 circumstances exist which necessitate Sunday liquor sales by vendors  
14 appointed under RCW 66.08.050(2) of products of their own manufacture,  
15 not to exceed one case of liquor per customer. However, during the  
16 2003-05 fiscal biennium, liquor may be sold from state liquor stores on  
17 Sundays and state liquor stores may be open for the sale of liquor on  
18 Sundays.

19 **Sec. 925.** RCW 67.40.040 and 1995 c 386 s 13 are each amended to  
20 read as follows:

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

33 (2) Moneys in the account, including unanticipated revenues under  
34 RCW 43.79.270, shall be used exclusively for the following purposes in  
35 the following priority:

1 (a) For reimbursement of the state general fund under RCW  
2 67.40.060;

3 (b) After appropriation by statute:

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

6 (ii) For expenditures authorized in RCW 67.40.170;

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

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

11 (c) For transfer to the state convention and trade center  
12 operations account.

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

21 (4) In order to ensure consistent treatment of bonds authorized  
22 under RCW 67.40.030 with applicable provisions of the Internal Revenue  
23 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment  
24 earnings on bond proceeds deposited in the state convention and trade  
25 center account in the state treasury shall be retained in the account,  
26 and shall be expended by the corporation for the purposes authorized  
27 under chapter 386, Laws of 1995 and in a manner consistent with  
28 applicable provisions of the Internal Revenue Code of 1986, as amended.

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

33 **Sec. 926.** RCW 69.50.520 and 2002 c 371 s 920 are each amended to  
34 read as follows:

35 The violence reduction and drug enforcement account is created in  
36 the state treasury. All designated receipts from RCW 9.41.110(8),

1 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),  
2 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989  
3 shall be deposited into the account. Expenditures from the account may  
4 be used only for funding services and programs under chapter 271, Laws  
5 of 1989 and chapter 7, Laws of 1994 sp. sess., including state  
6 incarceration costs. Funds from the account may also be appropriated  
7 to reimburse local governments for costs associated with implementing  
8 criminal justice legislation including chapter 338, Laws of 1997.  
9 During the ~~((2001-))~~ 2003-2005 biennium, funds from the account may  
10 also be used for costs associated with providing grants to local  
11 governments in accordance with chapter 338, Laws of 1997, ~~((the  
12 replacement of the department of corrections' offender based tracking  
13 system))~~ funding drug offender treatment services in accordance with  
14 RCW 70.96A.350, maintenance and operating costs of the Washington  
15 association of sheriffs and police chiefs jail reporting system,  
16 ~~((civil indigent legal representation, and for))~~ multijurisdictional  
17 narcotics task forces~~((. After July 1, 2003, at least seven and one  
18 half percent of expenditures from the account shall be used for  
19 providing))~~, and grants to community networks under chapter 70.190 RCW  
20 by the family policy council.

21 **Sec. 927.** RCW 70.79.350 and 1979 c 151 s 171 are each amended to  
22 read as follows:

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

1 pro rata share of the cost of administering (~~said~~) the fund which is  
2 to be determined by the director of financial management and by the  
3 director of the department of labor and industries.

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

7 **Sec. 928.** RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each  
8 amended to read as follows:

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

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

1       **Sec. 929.** RCW 70.105D.070 and 2001 c 27 s 2 are each amended to  
2 read as follows:

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

5       (2) The following moneys shall be deposited into the state toxics  
6 control account: (a) Those revenues which are raised by the tax  
7 imposed under RCW 82.21.030 and which are attributable to that portion  
8 of the rate equal to thirty-three one-hundredths of one percent; (b)  
9 the costs of remedial actions recovered under this chapter or chapter  
10 70.105A RCW; (c) penalties collected or recovered under this chapter;  
11 and (d) any other money appropriated or transferred to the account by  
12 the legislature. Moneys in the account may be used only to carry out  
13 the purposes of this chapter, including but not limited to the  
14 following activities:

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

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

21       (iii) The hazardous waste cleanup program required under this  
22 chapter;

23       (iv) State matching funds required under the federal cleanup law;

24       (v) Financial assistance for local programs in accordance with  
25 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

26       (vi) State government programs for the safe reduction, recycling,  
27 or disposal of hazardous wastes from households, small businesses, and  
28 agriculture;

29       (vii) Hazardous materials emergency response training;

30       (viii) Water and environmental health protection and monitoring  
31 programs;

32       (ix) Programs authorized under chapter 70.146 RCW;

33       (x) A public participation program, including regional citizen  
34 advisory committees;

35       (xi) Public funding to assist potentially liable persons to pay for  
36 the costs of remedial action in compliance with cleanup standards under  
37 RCW 70.105D.030(2)(e) but only when the amount and terms of such

1 funding are established under a settlement agreement under RCW  
2 70.105D.040(4) and when the director has found that the funding will  
3 achieve both (A) a substantially more expeditious or enhanced cleanup  
4 than would otherwise occur, and (B) the prevention or mitigation of  
5 unfair economic hardship; and

6 (xii) Development and demonstration of alternative management  
7 technologies designed to carry out the top two hazardous waste  
8 management priorities of RCW 70.105.150.

9 (3) The following moneys shall be deposited into the local toxics  
10 control account: Those revenues which are raised by the tax imposed  
11 under RCW 82.21.030 and which are attributable to that portion of the  
12 rate equal to thirty-seven one-hundredths of one percent.

13 (a) Moneys deposited in the local toxics control account shall be  
14 used by the department for grants or loans to local governments for the  
15 following purposes in descending order of priority: (i) Remedial  
16 actions; (ii) hazardous waste plans and programs under chapter 70.105  
17 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C,  
18 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the  
19 assessment and cleanup of sites of methamphetamine production, but not  
20 to be used for the initial containment of such sites, consistent with  
21 the responsibilities and intent of RCW 69.50.511; and (v) cleanup and  
22 disposal of hazardous substances from abandoned or derelict vessels  
23 that pose a threat to human health or the environment. For purposes of  
24 this subsection (3)(a)(v), "abandoned or derelict vessels" means  
25 vessels that have little or no value and either have no identified  
26 owner or have an identified owner lacking financial resources to clean  
27 up and dispose of the vessel. Funds for plans and programs shall be  
28 allocated consistent with the priorities and matching requirements  
29 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During  
30 the 1999-2001 fiscal biennium, moneys in the account may also be used  
31 for the following activities: Conducting a study of whether dioxins  
32 occur in fertilizers, soil amendments, and soils; reviewing  
33 applications for registration of fertilizers; and conducting a study of  
34 plant uptake of metals. During the 2003-05 fiscal biennium, the  
35 legislature may transfer from the local toxics control account to the  
36 state toxics control account such amounts as specified in the omnibus  
37 operating budget bill for methamphetamine lab cleanup.

1 (b) Funds may also be appropriated to the department of health to  
2 implement programs to reduce testing requirements under the federal  
3 safe drinking water act for public water systems. The department of  
4 health shall reimburse the account from fees assessed under RCW  
5 70.119A.115 by June 30, 1995.

6 (4) Except for unanticipated receipts under RCW 43.79.260 through  
7 43.79.282, moneys in the state and local toxics control accounts may be  
8 spent only after appropriation by statute.

9 (5) One percent of the moneys deposited into the state and local  
10 toxics control accounts shall be allocated only for public  
11 participation grants to persons who may be adversely affected by a  
12 release or threatened release of a hazardous substance and to not-for-  
13 profit public interest organizations. The primary purpose of these  
14 grants is to facilitate the participation by persons and organizations  
15 in the investigation and remedying of releases or threatened releases  
16 of hazardous substances and to implement the state's solid and  
17 hazardous waste management priorities. However, during the 1999-2001  
18 fiscal biennium, funding may not be granted to entities engaged in  
19 lobbying activities, and applicants may not be awarded grants if their  
20 cumulative grant awards under this section exceed two hundred thousand  
21 dollars. No grant may exceed sixty thousand dollars. Grants may be  
22 renewed annually. Moneys appropriated for public participation from  
23 either account which are not expended at the close of any biennium  
24 shall revert to the state toxics control account.

25 (6) No moneys deposited into either the state or local toxics  
26 control account may be used for solid waste incinerator feasibility  
27 studies, construction, maintenance, or operation.

28 (7) The department shall adopt rules for grant or loan issuance and  
29 performance.

30 **Sec. 930.** RCW 70.146.030 and 2002 c 371 s 921 are each amended to  
31 read as follows:

32 (1) The water quality account is hereby created in the state  
33 treasury. Moneys in the account may be used only in a manner  
34 consistent with this chapter. Moneys deposited in the account shall be  
35 administered by the department of ecology and shall be subject to  
36 legislative appropriation. Moneys placed in the account shall include

1 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,  
2 principal and interest from the repayment of any loans granted pursuant  
3 to this chapter, and any other moneys appropriated to the account by  
4 the legislature.

5 (2) The department may use or permit the use of any moneys in the  
6 account to make grants or loans to public bodies, including grants to  
7 public bodies as cost-sharing moneys in any case where federal, local,  
8 or other funds are made available on a cost-sharing basis, for water  
9 pollution control facilities and activities, or for purposes of  
10 assisting a public body to obtain an ownership interest in water  
11 pollution control facilities and/or to defray a part of the payments  
12 made by a public body to a service provider under a service agreement  
13 entered into pursuant to RCW 70.150.060, within the purposes of this  
14 chapter and for related administrative expenses. For the period July  
15 1, (~~2001~~) 2003, to June 30, (~~2003~~) 2005, moneys in the account may  
16 be used to process applications received by the department that seek to  
17 make changes to or transfer existing water rights and for grants and  
18 technical assistance to public bodies for watershed planning under  
19 chapter 90.82 RCW. No more than three percent of the moneys deposited  
20 in the account may be used by the department to pay for the  
21 administration of the grant and loan program authorized by this  
22 chapter.

23 (3) Beginning with the biennium ending June 30, 1997, the  
24 department shall present a biennial progress report on the use of  
25 moneys from the account to the chairs of the senate committee on ways  
26 and means and the house of representatives committee on appropriations.  
27 The first report is due June 30, 1996, and the report for each  
28 succeeding biennium is due December 31 of the odd-numbered year. The  
29 report shall consist of a list of each recipient, project description,  
30 and amount of the grant, loan, or both.

31 **Sec. 931.** RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended  
32 to read as follows:

33 Within thirty days after June 30, 1987, and within thirty days  
34 after each succeeding fiscal year thereafter, the state treasurer shall  
35 determine the tax receipts deposited into the water quality account for  
36 the preceding fiscal year. If the tax receipts deposited into the

1 account in each of the fiscal years 1988 and 1989 are less than forty  
2 million dollars, the state treasurer shall transfer sufficient moneys  
3 from general state revenues into the water quality account to bring the  
4 total receipts in each fiscal year up to forty million dollars.

5 For the biennium ending June 30, 1991, if the tax receipts  
6 deposited into the water quality account and the earnings on investment  
7 of balances credited to the account are less than ninety million  
8 dollars, the treasurer shall transfer sufficient moneys from general  
9 state revenues into the water quality account to bring the total  
10 revenue up to ninety million dollars. The determination and transfer  
11 shall be made by July 31, 1991.

12 For fiscal year 1992 and for fiscal years 1995 and 1996 and  
13 thereafter, if the tax receipts deposited into the water quality  
14 account for each fiscal year are less than forty-five million dollars,  
15 the treasurer shall transfer sufficient moneys from general state  
16 revenues into the water quality account to bring the total revenue up  
17 to forty-five million dollars. However, during the 2003-05 fiscal  
18 biennium, the legislature may specify the transfer of a different  
19 amount in the operating budget bill. Determinations and transfers  
20 shall be made by July 31 for the preceding fiscal year.

21 **Sec. 932.** RCW 72.11.040 and 2001 2nd sp.s. c 7 s 919 are each  
22 amended to read as follows:

23 The cost of supervision fund is created in the custody of the state  
24 treasurer. All receipts from assessments made under RCW 9.94A.780 and  
25 72.04A.120 shall be deposited into the fund. Expenditures from the  
26 fund may be used only to support the collection of legal financial  
27 obligations. During the ((2001-)) 2003-2005 biennium, funds from the  
28 account may also be used for costs associated with the department's  
29 supervision of the offenders in the community. Only the secretary of  
30 the department of corrections or the secretary's designee may authorize  
31 expenditures from the fund. The fund is subject to allotment  
32 procedures under chapter 43.88 RCW, but no appropriation is required  
33 for expenditures.

34 **Sec. 933.** RCW 76.12.170 and 1988 c 128 s 36 are each amended to  
35 read as follows:

1 All receipts from the sale of stock or seed shall be deposited in  
2 a state forest nursery revolving fund to be maintained by the  
3 department, which is hereby authorized to use all money in said fund  
4 for the maintenance of the state tree nursery or the planting of  
5 denuded state owned lands.

6 During the 2003-2005 fiscal biennium, the legislature may transfer  
7 from the state forest nursery revolving fund to the state general fund  
8 such amounts as reflect the excess fund balance of the fund.

9 **Sec. 934.** RCW 80.01.080 and 2002 c 371 s 924 are each amended to  
10 read as follows:

11 There is created in the state treasury a public service revolving  
12 fund. Regulatory fees payable by all types of public service companies  
13 shall be deposited to the credit of the public service revolving fund.  
14 Except for expenses payable out of the pipeline safety account, all  
15 expense of operation of the Washington utilities and transportation  
16 commission shall be payable out of the public service revolving fund.

17 During the ((2001-2003)) 2003-2005 fiscal biennium, the legislature  
18 may transfer from the public service revolving fund to the state  
19 general fund such amounts as reflect the ((~~appropriations reductions~~  
20 ~~made by the 2002 supplemental appropriations act for administrative~~  
21 ~~efficiencies and savings~~)) excess fund balance of the fund.

22 **Sec. 935.** RCW 82.14.200 and 1998 c 321 s 8 are each amended to  
23 read as follows:

24 There is created in the state treasury a special account to be  
25 known as the "county sales and use tax equalization account." Into  
26 this account shall be placed a portion of all motor vehicle excise tax  
27 receipts as provided in RCW 82.44.110. Funds in this account shall be  
28 allocated by the state treasurer according to the following procedure:

29 (1) Prior to April 1st of each year the director of revenue shall  
30 inform the state treasurer of the total and the per capita levels of  
31 revenues for the unincorporated area of each county and the statewide  
32 weighted average per capita level of revenues for the unincorporated  
33 areas of all counties imposing the sales and use tax authorized under  
34 RCW 82.14.030(1) for the previous calendar year.

1 (2) At such times as distributions are made under RCW 82.44.150,  
2 the state treasurer shall apportion to each county imposing the sales  
3 and use tax under RCW 82.14.030(1) at the maximum rate and receiving  
4 less than one hundred fifty thousand dollars from the tax for the  
5 previous calendar year, an amount from the county sales and use tax  
6 equalization account sufficient, when added to the amount of revenues  
7 received the previous calendar year by the county, to equal one hundred  
8 fifty thousand dollars.

9 The department of revenue shall establish a governmental price  
10 index as provided in this subsection. The base year for the index  
11 shall be the end of the third quarter of 1982. Prior to November 1,  
12 1983, and prior to each November 1st thereafter, the department of  
13 revenue shall establish another index figure for the third quarter of  
14 that year. The department of revenue may use the implicit price  
15 deflators for state and local government purchases of goods and  
16 services calculated by the United States department of commerce to  
17 establish the governmental price index. Beginning on January 1, 1984,  
18 and each January 1st thereafter, the one hundred fifty thousand dollar  
19 base figure in this subsection shall be adjusted in direct proportion  
20 to the percentage change in the governmental price index from 1982  
21 until the year before the adjustment. Distributions made under this  
22 subsection for 1984 and thereafter shall use this adjusted base amount  
23 figure.

24 (3) Subsequent to the distributions under subsection (2) 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(1) at the maximum rate and  
28 receiving less than seventy percent of the statewide weighted average  
29 per capita level of revenues for the unincorporated areas of all  
30 counties as determined by the department of revenue under subsection  
31 (1) of this section, an amount from the county sales and use tax  
32 equalization account sufficient, when added to the per capita level of  
33 revenues for the unincorporated area received the previous calendar  
34 year by the county, to equal seventy percent of the statewide weighted  
35 average per capita level of revenues for the unincorporated areas of  
36 all counties determined under subsection (1) of this section, subject  
37 to reduction under subsections (6) and (7) of this section. When

1 computing distributions under this section, any distribution under  
2 subsection (2) of this section shall be considered revenues received  
3 from the tax imposed under RCW 82.14.030(1) for the previous calendar  
4 year.

5 (4) Subsequent to the distributions under subsection (3) of this  
6 section and at such times as distributions are made under RCW  
7 82.44.150, the state treasurer shall apportion to each county imposing  
8 the sales and use tax under RCW 82.14.030(2) at the maximum rate and  
9 receiving a distribution under subsection (2) of this section, a third  
10 distribution from the county sales and use tax equalization account.  
11 The distribution to each qualifying county shall be equal to the  
12 distribution to the county under subsection (2) of this section,  
13 subject to the reduction under subsections (6) and (7) of this section.  
14 To qualify for the total distribution under this subsection, the county  
15 must impose the tax under RCW 82.14.030(2) for the entire calendar  
16 year. Counties imposing the tax for less than the full year shall  
17 qualify for prorated allocations under this subsection proportionate to  
18 the number of months of the year during which the tax is imposed.

19 (5) Subsequent to the distributions under subsection (4) of this  
20 section and at such times as distributions are made under RCW  
21 82.44.150, the state treasurer shall apportion to each county imposing  
22 the sales and use tax under RCW 82.14.030(2) at the maximum rate and  
23 receiving a distribution under subsection (3) of this section, a fourth  
24 distribution from the county sales and use tax equalization account.  
25 The distribution to each qualifying county shall be equal to the  
26 distribution to the county under subsection (3) of this section,  
27 subject to the reduction under subsections (6) and (7) of this section.  
28 To qualify for the distributions under this subsection, the county must  
29 impose the tax under RCW 82.14.030(2) for the entire calendar year.  
30 Counties imposing the tax for less than the full year shall qualify for  
31 prorated allocations under this subsection proportionate to the number  
32 of months of the year during which the tax is imposed.

33 (6) Revenues distributed under subsections (2) through (5) of this  
34 section in any calendar year shall not exceed an amount equal to  
35 seventy percent of the statewide weighted average per capita level of  
36 revenues for the unincorporated areas of all counties during the  
37 previous calendar year. If distributions under subsections (3) through

1 (5) of this section cannot be made because of this limitation, then  
2 distributions under subsections (3) through (5) of this section shall  
3 be reduced ratably among the qualifying counties.

4 (7) If inadequate revenues exist in the county sales and use tax  
5 equalization account to make the distributions under subsections (3)  
6 through (5) of this section, then the distributions under subsections  
7 (3) through (5) of this section shall be reduced ratably among the  
8 qualifying counties. At such time during the year as additional funds  
9 accrue to the county sales and use tax equalization account, additional  
10 distributions shall be made under subsections (3) through (5) of this  
11 section to the counties.

12 (8) If the level of revenues in the county sales and use tax  
13 equalization account exceeds the amount necessary to make the  
14 distributions under subsections (2) through (5) of this section, at  
15 such times as distributions are made under RCW 82.44.150, the state  
16 treasurer shall apportion an amount to the county public health account  
17 created in RCW 70.05.125 equal to the adjustment under RCW  
18 70.05.125(2)(b).

19 (9) If the level of revenues in the county sales and use tax  
20 equalization account exceeds the amount necessary to make the  
21 distributions under subsections (2) through (5) and (8) of this  
22 section, then the additional revenues shall be credited and transferred  
23 as follows:

24 (a) Fifty percent to the public facilities construction loan  
25 revolving account under RCW 43.160.080; and

26 (b) Fifty percent to the distressed county public facilities  
27 construction loan account under RCW 43.160.220, or so much thereof as  
28 will not cause the balance in the account to exceed twenty-five million  
29 dollars. Any remaining funds shall be deposited into the public  
30 facilities construction loan revolving account.

31 (10) During the 2003-2005 fiscal biennium, the legislature may  
32 transfer from the county sales and use tax equalization account to the  
33 state general fund such amounts as reflect the excess fund balance of  
34 the account.

35 **Sec. 936.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read  
36 as follows:

1           There is created in the state treasury a special account to be  
2 known as the "municipal sales and use tax equalization account." Into  
3 this account shall be placed such revenues as are provided under RCW  
4 82.44.110(1)(e). Funds in this account shall be allocated by the state  
5 treasurer according to the following procedure:

6           (1) Prior to January 1st of each year the department of revenue  
7 shall determine the total and the per capita levels of revenues for  
8 each city and the statewide weighted average per capita level of  
9 revenues for all cities imposing the sales and use tax authorized under  
10 RCW 82.14.030(1) for the previous calendar year.

11           (2) At such times as distributions are made under RCW 82.44.150,  
12 the state treasurer shall apportion to each city not imposing the sales  
13 and use tax under RCW 82.14.030(2) an amount from the municipal sales  
14 and use tax equalization account equal to the amount distributed to the  
15 city under RCW 82.44.155, multiplied by forty-five fifty-fifths.

16           (3) Subsequent to the distributions under subsection (2) of this  
17 section, and at such times as distributions are made under RCW  
18 82.44.150, the state treasurer shall apportion to each city imposing  
19 the sales and use tax under RCW 82.14.030(1) at the maximum rate and  
20 receiving less than seventy percent of the statewide weighted average  
21 per capita level of revenues for all cities as determined by the  
22 department of revenue under subsection (1) of this section, an amount  
23 from the municipal sales and use tax equalization account sufficient,  
24 when added to the per capita level of revenues received the previous  
25 calendar year by the city, to equal seventy percent of the statewide  
26 weighted average per capita level of revenues for all cities determined  
27 under subsection (1) of this section, subject to reduction under  
28 subsection (6) of this section.

29           (4) Subsequent to the distributions under subsection (3) of this  
30 section, and at such times as distributions are made under RCW  
31 82.44.150, the state treasurer shall apportion to each city imposing  
32 the sales and use tax under RCW 82.14.030(2) at the maximum rate and  
33 receiving a distribution under subsection (3) of this section, a third  
34 distribution from the municipal sales and use tax equalization account.  
35 The distribution to each qualifying city shall be equal to the  
36 distribution to the city under subsection (3) of this section, subject  
37 to the reduction under subsection (6) of this section. To qualify for

1 the distributions under this subsection, the city must impose the tax  
2 under RCW 82.14.030(2) for the entire calendar year. Cities imposing  
3 the tax for less than the full year shall qualify for prorated  
4 allocations under this subsection proportionate to the number of months  
5 of the year during which the tax is imposed.

6 (5) For a city with an official incorporation date after January 1,  
7 1990, municipal sales and use tax equalization distributions shall be  
8 made according to the procedures in this subsection. Municipal sales  
9 and use tax equalization distributions to eligible new cities shall be  
10 made at the same time as distributions are made under subsections (3)  
11 and (4) of this section. The department of revenue shall follow the  
12 estimating procedures outlined in this subsection until the new city  
13 has received a full year's worth of revenues under RCW 82.14.030(1) as  
14 of the January municipal sales and use tax equalization distribution.

15 (a) Whether a newly incorporated city determined to receive funds  
16 under this subsection receives its first equalization payment at the  
17 January, April, July, or October municipal sales and use tax  
18 equalization distribution shall depend on the date the city first  
19 imposes the tax authorized under RCW 82.14.030(1).

20 (i) A newly incorporated city imposing the tax authorized under RCW  
21 82.14.030(1) effective as of January 1st shall be eligible to receive  
22 funds under this subsection beginning with the April municipal sales  
23 and use tax equalization distribution of that year.

24 (ii) A newly incorporated city imposing the tax authorized under  
25 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st  
26 shall be eligible to receive funds under this subsection beginning with  
27 the July municipal sales and use tax equalization distribution of that  
28 year.

29 (iii) A newly incorporated city imposing the tax authorized under  
30 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall  
31 be eligible to receive funds under this subsection beginning with the  
32 October municipal sales and use tax equalization distribution of that  
33 year.

34 (iv) A newly incorporated city imposing the tax authorized under  
35 RCW 82.14.030(1) effective as of August 1st, September 1st, or October  
36 1st shall be eligible to receive funds under this subsection beginning

1 with the January municipal sales and use tax equalization distribution  
2 of the next year.

3 (v) A newly incorporated city imposing the tax authorized under RCW  
4 82.14.030(1) effective as of November 1st or December 1st shall be  
5 eligible to receive funds under this subsection beginning with the  
6 April municipal sales and use tax equalization distribution of the next  
7 year.

8 (b) For purposes of calculating the amount of funds the new city  
9 should receive under this subsection, the department of revenue shall:

10 (i) Estimate the per capita amount of revenues from the tax  
11 authorized under RCW 82.14.030(1) that the new city would have received  
12 had the city received revenues from the tax the entire calendar year;

13 (ii) Calculate the amount provided under subsection (3) of this  
14 section based on the per capita revenues determined under (b)(i) of  
15 this subsection;

16 (iii) Prorate the amount determined under (b)(ii) of this  
17 subsection by the number of months the tax authorized under RCW  
18 82.14.030(1) is imposed.

19 (c) A new city imposing the tax under RCW 82.14.030(2) at the  
20 maximum rate and receiving a distribution calculated under (b) of this  
21 subsection shall receive another distribution from the municipal sales  
22 and use tax equalization account. This distribution shall be equal to  
23 the calculation made under (b)(ii) of this subsection, prorated by the  
24 number of months the city imposes the tax authorized under RCW  
25 82.14.030(2) at the full rate.

26 (d) The department of revenue shall advise the state treasurer of  
27 the amounts calculated under (b) and (c) of this subsection and the  
28 state treasurer shall distribute these amounts to the new city from the  
29 municipal sales and use tax equalization account subject to the  
30 limitations imposed in subsection (6) of this section.

31 (e) Revenues estimated under this subsection shall not affect the  
32 calculation of the statewide weighted average per capita level of  
33 revenues for all cities made under subsection (1) of this section.

34 (6) If inadequate revenues exist in the municipal sales and use tax  
35 equalization account to make the distributions under subsection (3),  
36 (4), or (5) of this section, then the distributions under subsections  
37 (3), (4), and (5) of this section shall be reduced ratably among the

1 qualifying cities. At such time during the year as additional funds  
2 accrue to the municipal sales and use tax equalization account,  
3 additional distributions shall be made under subsections (3), (4), and  
4 (5) of this section to the cities.

5 (7) If the level of revenues in the municipal sales and use tax  
6 equalization account exceeds the amount necessary to make the  
7 distributions under subsections (2) through (5) of this section, then  
8 the additional revenues shall be apportioned among the several cities  
9 within the state ratably on the basis of population as last determined  
10 by the office of financial management: PROVIDED, That no such  
11 distribution shall be made to those cities receiving a distribution  
12 under subsection (2) of this section.

13 (8) During the 2003-2005 fiscal biennium, the legislature may  
14 transfer from the municipal sales and use tax equalization account to  
15 the state general fund such amounts as reflect the excess fund balance  
16 in the account.

17 **Sec. 937.** RCW 86.26.007 and 1997 c 149 s 914 are each amended to  
18 read as follows:

19 The flood control assistance account is hereby established in the  
20 state treasury. At the beginning of the 1997-99 fiscal biennium and  
21 each biennium thereafter the state treasurer shall transfer four  
22 million dollars from the general fund to the flood control assistance  
23 account. Moneys in the flood control assistance account may be spent  
24 only after appropriation for purposes specified under this chapter  
25 (~~(or, during the 1997-99 fiscal biennium, for transfer to the disaster~~  
26 ~~response account)).~~ During the 2003-2005 fiscal biennium, the  
27 legislature may transfer from the flood control assistance account to  
28 the state general fund such amounts as reflect the excess fund balance  
29 of the account.

30 NEW SECTION. **Sec. 938.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 939.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    immediately.

(End of part)

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1        Correct the title.

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