

ESSB 6090 - CONF REPT
By Conference Committee

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

3 "NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject
4 to the provisions set forth in the following sections, the several
5 amounts specified in parts I through VIII of this act, or so much
6 thereof as shall be sufficient to accomplish the purposes designated,
7 are hereby appropriated and authorized to be incurred for salaries,
8 wages, and other expenses of the agencies and offices of the state and
9 for other specified purposes for the fiscal biennium beginning July 1,
10 2005, and ending June 30, 2007, except as otherwise provided, out of
11 the several funds of the state hereinafter named.

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

14 (a) "Fiscal year 2006" or "FY 2006" means the fiscal year ending
15 June 30, 2006.

16 (b) "Fiscal year 2007" or "FY 2007" means the fiscal year ending
17 June 30, 2007.

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

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

21 (e) "Provided solely" means the specified amount may be spent only
22 for the specified purpose.

23 Unless otherwise specifically authorized in this act, any portion
24 of an amount provided solely for a specified purpose which is
25 unnecessary to fulfill the specified purpose shall lapse.

26 **PART I**
27 **GENERAL GOVERNMENT**

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

2	General Fund--State Appropriation (FY 2006)	\$30,411,000
3	General Fund--State Appropriation (FY 2007)	\$30,900,000
4	TOTAL APPROPRIATION	\$61,311,000

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

7 (1) \$150,000 of the general fund--state appropriation for fiscal
8 year 2006 is provided solely for the committee on fiscal stability.

9 (a) The committee on fiscal stability is created, consisting of six
10 members as follows: Three members shall be appointed by the leader of
11 each of the two largest caucuses of the house of representatives. The
12 governor shall appoint an additional person to serve as the chair of
13 the committee. The chair may vote on procedural questions, but may not
14 vote on substantive questions concerning the research or
15 recommendations of the committee.

16 (b) The committee shall develop recommendations for specific
17 statutory and constitutional provisions to establish or revise the
18 following: (i) Spending limitations; (ii) tax limits; (iii) emergency
19 reserve accounts; and (iv) tax reforms necessary to create a
20 sustainable system of state and local finance, improve the fairness of
21 state and local taxation, and improve the competitiveness of the
22 state's economy.

23 (c) The committee shall conduct a series of public hearings on
24 these topics and its proposed recommendations. The hearings shall be
25 held in locations across the state and shall be structured to encourage
26 full participation by persons who represent a balance of perspectives
27 and constituencies. The committee shall submit its findings and
28 recommendations in a report to the fiscal committees of the legislature
29 by January 1, 2006.

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

36 (2) \$25,000 of the general fund--state appropriation for fiscal
37 year 2006 is provided solely for the children's and family services

1 task force established in Engrossed Substitute Senate Bill No. 5872
2 (family/children's department). If the bill is not enacted by June 30,
3 2005, the amount provided in this subsection shall lapse.

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

5	General Fund--State Appropriation (FY 2006)	\$23,253,000
6	General Fund--State Appropriation (FY 2007)	\$25,368,000
7	TOTAL APPROPRIATION	\$48,621,000

8 The appropriations in this section are subject to the following
9 conditions and limitations: \$25,000 of the general fund--state
10 appropriation for fiscal year 2006 is provided solely for the
11 children's and family services task force established in Engrossed
12 Substitute Senate Bill No. 5872 (family/children's department). If the
13 bill is not enacted by June 30, 2005, the amount provided in this
14 subsection shall lapse.

15 NEW SECTION. **Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW**
16 **COMMITTEE**

17	General Fund--State Appropriation (FY 2006)	\$2,531,000
18	General Fund--State Appropriation (FY 2007)	\$1,953,000
19	TOTAL APPROPRIATION	\$4,484,000

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

22 (1) Notwithstanding the provisions in this section, the committee
23 may adjust the due dates for projects included on the committee's 2005-
24 07 work plan as necessary to efficiently manage workload.

25 (2)(a) \$100,000 of the general fund--state appropriation for fiscal
26 year 2006 is provided solely for a study of the basic health plan.
27 Part 1 of the study shall examine the extent to which basic health plan
28 policies and procedures promote or discourage the provision of
29 appropriate, high-quality, cost-effective care to basic health plan
30 enrollees. Issues to be addressed include, but are not limited to,
31 whether (i) enrollees are encouraged to engage in wellness activities
32 and receive preventative services; (ii) evidence-based treatment
33 strategies are identified and promoted; (iii) enrollees are encouraged
34 to use high-quality providers; (iv) enrollees with chronic or other
35 high-cost conditions are identified and provided with appropriate

1 interventions; and (v) innovative health care service delivery methods
2 are encouraged. Part 1 of the study report shall be completed by
3 December 2005.

4 (b) Part 2 of the study shall examine the characteristics of
5 individuals enrolled in the basic health plan, and their use of health
6 care services, including, but not limited to, (i) enrollee longevity on
7 the basic health plan; (ii) circumstances that led to basic health plan
8 enrollment; (iii) how enrollees obtained health care prior to basic
9 health plan enrollment; (iv) health care coverage of other household
10 members; (v) service utilization patterns; and (vi) employment status
11 and by whom basic health plan enrollees are employed. Part 2 of the
12 study must be completed by July, 2006.

13 (3) \$188,000 of the general fund--state appropriation for fiscal
14 year 2006 is provided solely for the cost of evaluating the
15 effectiveness of the job development fund grant program required by
16 House Bill No. 1903 (creating a job development fund). If House Bill
17 No. 1903 is not enacted by June 30, 2005, the amount provided in this
18 subsection shall lapse.

19 (4) \$100,000 of the general fund--state appropriation for fiscal
20 year 2006 is provided solely for an evaluation of the budget process
21 used for information technology projects. The evaluation will include:
22 Itemizing total costs for current information technology funding across
23 state agencies; analyzing current processes by which information
24 funding is requested and evaluated; analyzing processes used in the
25 private sector and other states; and assessing the applicability of
26 other practices for improving the state's funding process. A report is
27 due in January 2006.

28 (5) \$125,000 of the general fund--state appropriation for fiscal
29 year 2006 is provided solely for a study of the current state pupil
30 transportation funding formula. The study will evaluate the extent to
31 which the formula captures the costs of providing pupil transportation
32 for basic education programs. Based on the results of this evaluation,
33 the study shall develop alternative formulas for allocating state
34 funding to school districts for the transportation of students for
35 basic education programs. The alternative formulas shall take into
36 account the legislative definition of basic education programs, promote
37 the efficient use of state and local resources, and allow local

1 district control over the management of pupil transportation systems.
2 In addition, the study shall include a review of the funding mechanisms
3 used by other states and identify best practices.

4 (6) Within amounts provided in this section, the committee shall
5 conduct a review of the special education excess cost accounting
6 methodology and expenditure reporting requirements. The committee
7 shall work with the state auditor's office and develop a mutually
8 acceptable work plan in conducting this review. This review may
9 include, but is not limited to: (a) An analysis of the current special
10 education excess cost accounting methodology and related special
11 education expenditure reporting requirements; (b) an examination of
12 whether opportunities exist for modifying the current excess cost
13 accounting methodology and expenditure reporting requirements; (c) an
14 assessment of the potential impact on school districts if the current
15 excess cost accounting methodology and expenditure reporting
16 requirements are modified; and (d) any findings and recommendations
17 from the state auditor's office examination of whether school districts
18 are appropriately and consistently applying the current excess cost
19 methodology. The committee shall provide a report to the appropriate
20 policy and fiscal committees of the legislature in January 2006.

21 (7) \$100,000 of the general fund--state appropriation for fiscal
22 year 2006 is provided solely for the consultant costs related to the
23 study identified in section 505 of Engrossed Second Substitute Senate
24 Bill No. 5763 (mental disorders treatment). If this section is not
25 enacted by June 30, 2005, these amounts shall lapse.

26 (8) \$86,000 of the general fund--state appropriation for fiscal
27 year 2006 is provided solely to implement the provisions of Engrossed
28 Substitute House Bill No. 1064 (government performance). If Engrossed
29 Substitute House Bill No. 1064 is not enacted by June 30, 2005, the
30 amount provided in this subsection shall lapse.

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

33	General Fund--State Appropriation (FY 2006)	\$1,737,000
34	General Fund--State Appropriation (FY 2007)	\$1,921,000
35	TOTAL APPROPRIATION	\$3,658,000

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

2 Department of Retirement Systems Expense Account--

3 State Appropriation \$3,013,000

4 The appropriation in this section is subject to the following
5 conditions and limitations: By December 1, 2005, the state actuary
6 shall conduct an actuarial analysis that quantifies, to the greatest
7 extent permissible from available experience data, the fiscal impact of
8 the retire-rehire program for plan 1 of the public employees'
9 retirement system and the teachers' retirement system enacted by
10 chapter 10, Laws of 2001 and chapter 412, Laws of 2003. In addition to
11 the actuarial analysis, the state actuary shall present a range of
12 legislative alternatives to the plan 1 retire-rehire program, including
13 an actuarial analysis of the fiscal impact of proposals to increase the
14 maximum retirement allowance beyond sixty percent of average final
15 compensation. The analysis shall be submitted to the select committee
16 on pension policy, the senate committee on ways and means, and the
17 house of representatives committee on appropriations.

18 NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS**
19 **COMMITTEE**

20 General Fund--State Appropriation (FY 2006) \$7,288,000

21 General Fund--State Appropriation (FY 2007) \$7,248,000

22 TOTAL APPROPRIATION \$14,536,000

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

24 General Fund--State Appropriation (FY 2006) \$4,112,000

25 General Fund--State Appropriation (FY 2007) \$4,398,000

26 TOTAL APPROPRIATION \$8,510,000

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

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

2	General Fund--State Appropriation (FY 2006)	\$6,085,000
3	General Fund--State Appropriation (FY 2007)	\$6,346,000
4	TOTAL APPROPRIATION	\$12,431,000

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

6	General Fund--State Appropriation (FY 2006)	\$2,011,000
7	General Fund--State Appropriation (FY 2007)	\$2,020,000
8	TOTAL APPROPRIATION	\$4,031,000

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

10	General Fund--State Appropriation (FY 2006)	\$13,866,000
11	General Fund--State Appropriation (FY 2007)	\$14,358,000
12	TOTAL APPROPRIATION	\$28,224,000

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

14	General Fund--State Appropriation (FY 2006)	\$1,055,000
15	General Fund--State Appropriation (FY 2007)	\$1,107,000
16	TOTAL APPROPRIATION	\$2,162,000

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

18	General Fund--State Appropriation (FY 2006)	\$19,657,000
19	General Fund--State Appropriation (FY 2007)	\$20,081,000
20	Public Safety and Education Account--State	
21	Appropriation	\$50,106,000
22	Judicial Information Systems Account--State	
23	Appropriation	\$25,641,000
24	TOTAL APPROPRIATION	\$115,485,000

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

27 (1) \$900,000 of the general fund--state appropriation for fiscal
28 year 2006 and \$900,000 of the general fund--state appropriation for
29 fiscal year 2007 are provided solely for court-appointed special
30 advocates in dependency matters. The administrator for the courts,
31 after consulting with the association of juvenile court administrators
32 and the association of court-appointed special advocate/guardian ad
33 litem programs, shall distribute the funds to volunteer court-appointed
34 special advocate/guardian ad litem programs. The distribution of

1 funding shall be based on the number of children who need volunteer
2 court-appointed special advocate representation and shall be equally
3 accessible to all volunteer court-appointed special advocate/guardian
4 ad litem programs. The administrator for the courts shall not retain
5 more than six percent of total funding to cover administrative or any
6 other agency costs.

7 (2) \$3,000,000 of the public safety and education account
8 appropriation is provided solely for school district petitions to
9 juvenile court for truant students as provided in RCW 28A.225.030 and
10 28A.225.035. The office of the administrator for the courts shall
11 develop an interagency agreement with the office of the superintendent
12 of public instruction to allocate the funding provided in this
13 subsection. Allocation of this money to school districts shall be
14 based on the number of petitions filed.

15 (3) \$13,224,000 of the public safety and education account
16 appropriation is provided solely for distribution to county juvenile
17 court administrators to fund the costs of processing truancy, children
18 in need of services, and at-risk youth petitions. The office of the
19 administrator for the courts shall not retain any portion of these
20 funds to cover administrative costs. The office of the administrator
21 for the courts, in conjunction with the juvenile court administrators,
22 shall develop an equitable funding distribution formula. The formula
23 shall neither reward counties with higher than average per-petition
24 processing costs nor shall it penalize counties with lower than average
25 per-petition processing costs.

26 (4) The distributions made under subsection (3) of this section and
27 distributions from the county criminal justice assistance account made
28 pursuant to section 801 of this act constitute appropriate
29 reimbursement for costs for any new programs or increased level of
30 service for purposes of RCW 43.135.060.

31 (5) Each fiscal year during the 2005-07 fiscal biennium, each
32 county shall report the number of petitions processed and the total
33 actual costs of processing truancy, children in need of services, and
34 at-risk youth petitions. Counties shall submit the reports to the
35 administrator for the courts no later than 45 days after the end of the
36 fiscal year. The administrator for the courts shall electronically
37 transmit this information to the chairs and ranking minority members of
38 the house of representatives appropriations committee and the senate

1 ways and means committee no later than 60 days after a fiscal year
2 ends. These reports are deemed informational in nature and are not for
3 the purpose of distributing funds.

4 (6) \$82,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$82,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for the implementation of House
7 Bill No. 1112 (creating an additional superior court position). If the
8 bill is not enacted by June 30, 2005, the amounts in this subsection
9 shall lapse.

10 (7) \$75,000 of the general fund--state appropriation for fiscal
11 year 2006 is provided solely for the implementation of Substitute House
12 Bill No. 1854 (driving privilege) and Engrossed Second Substitute
13 Senate Bill No. 5454 (court operations). If neither bill is enacted by
14 June 30, 2005, the amount in this subsection shall lapse.

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

16	General Fund--State Appropriation (FY 2006)	\$1,490,000
17	General Fund--State Appropriation (FY 2007)	\$2,078,000
18	Public Safety and Education Account--State	
19	Appropriation	\$13,175,000
20	TOTAL APPROPRIATION	\$16,743,000

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

23 (1) \$800,000 of the general fund--state appropriation for fiscal
24 year 2006 and \$1,000,000 of the general fund--state appropriation for
25 fiscal year 2007 are provided solely to expand the parent
26 representation project in dependency and termination cases.

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

30 (3) Within amounts appropriated in this section and in Engrossed
31 Second Substitute Senate Bill No. 5454, the office may, at its
32 discretion, implement Second Substitute House Bill No. 1542 (indigent
33 defense services).

34 NEW SECTION. **Sec. 115. FOR THE OFFICE OF CIVIL LEGAL AID**

35	General Fund--State Appropriation (FY 2006)	\$2,883,000
36	General Fund--State Appropriation (FY 2007)	\$2,832,000

1	Public Safety and Education Account--State	
2	Appropriation	\$4,705,000
3	Violence Reduction and Drug Enforcement Account--	
4	State Appropriation	\$2,987,000
5	TOTAL APPROPRIATION	\$13,407,000

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

8 (1) \$2,783,000 of the general fund--state appropriation for fiscal
9 year 2006, \$2,732,000 of the general fund--state appropriation for
10 fiscal year 2007, \$4,705,000 of the public safety and education
11 account--state appropriation, and \$2,987,000 of the violence reduction
12 and drug enforcement account--state appropriation are contingent upon
13 enactment of Substitute House Bill No. 1747 (civil legal services). If
14 the bill is not enacted by June 30, 2005, these appropriations shall be
15 made to the department of community, trade, and economic development
16 and are provided solely for the purpose of civil legal services.

17 (2) \$100,000 of the general fund--state appropriation for fiscal
18 year 2006 and \$100,000 of the general fund--state appropriation for
19 fiscal year 2007 are contingent upon enactment of Substitute House Bill
20 No. 1747 (civil legal services). If the bill is not enacted by June
21 30, 2005, the appropriation shall be made to the department of
22 community, trade, and economic development and is provided solely for
23 a general farm organization with members in every county of the state
24 to develop and administer an alternative dispute resolution system for
25 disputes between farmers and farm workers.

26 NEW SECTION. **Sec. 116. FOR THE OFFICE OF THE GOVERNOR**

27	General Fund--State Appropriation (FY 2006)	\$5,600,000
28	General Fund--State Appropriation (FY 2007)	\$5,279,000
29	General Fund--Federal Appropriation	\$1,364,000
30	Oil Spill Prevention Account Appropriation	\$508,000
31	Water Quality Account--State Appropriation	\$4,184,000
32	TOTAL APPROPRIATION	\$16,935,000

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

35 (1) \$4,112,000 of the water quality account appropriation and
36 \$1,150,000 of the general fund--federal appropriation are provided

1 solely for the Puget Sound water quality action team to implement the
2 Puget Sound conservation and recovery plan action items PSAT-01 through
3 PSAT-06.

4 (2) \$200,000 of the general fund--state appropriation for fiscal
5 year 2006, \$200,000 of the general fund--state appropriation for fiscal
6 year 2007, and \$200,000 of the general fund--federal appropriation are
7 provided solely for one-time corrective actions to address Hood canal's
8 dissolved oxygen problems, the Puget Sound conservation and recovery
9 plan action item PSAT-07.

10 (3) As described in section 129(7) of this act, the Puget Sound
11 water quality action team shall make recommendations and report on
12 monitoring activities related to salmon recovery.

13 (4) \$250,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$100,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for the implementation of House
16 Bill No. 1152 (early learning council). If House Bill No. 1152 is not
17 enacted by June 30, 2005, the amounts provided in this subsection shall
18 lapse.

19 (5) For the governor's funding request pursuant to RCW 74.39A.300
20 to be submitted to the legislature by December 20, 2006, it is the
21 intent of the legislature to consider a fringe benefits funding request
22 that provides health care benefits substantially equivalent in cost to
23 those available to individual providers pursuant to chapter 25, Laws of
24 2003 1st sp. sess.

25 (6) \$100,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$100,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely to implement Engrossed Substitute
28 House Bill No. 2097 (management program for Hood Canal). If Engrossed
29 Substitute House Bill No. 2097 is not enacted by June 30, 2005, the
30 amounts provided in this subsection shall lapse.

31 (7) \$100,000 of the general fund--state appropriation for fiscal
32 year 2006 and \$100,000 of the general fund--state appropriation for
33 fiscal year 2007 are provided solely for a review of ocean policy
34 issues in cooperation with individuals with appropriate expertise and
35 the departments of ecology, fish and wildlife, and natural resources.
36 By December 31, 2005, the governor's office shall identify the
37 recommendations of the U.S. commission on ocean policy appropriate for
38 immediate implementation. By December 31, 2006, the governor's office

1 shall provide a report: (a) Summarizing the condition of the state's
 2 ocean resources and their contribution to the state's character,
 3 quality of life, and economic viability; (b) recommending improvements
 4 in coordination among state agencies and other jurisdictions; (c)
 5 recommending measures to protect and manage ocean resources; (d)
 6 recommending measures to finance ocean protection, management, and
 7 development programs; and (e) recommending legislation regarding ocean
 8 resources or policy.

9 (8) \$508,000 of the oil spill prevention account appropriation is
 10 provided solely for the oil spill advisory council established in
 11 Engrossed Substitute Senate Bill No. 5432 (oil spill oversight
 12 council). If the bill is not enacted by June 30, 2005, the amount
 13 provided in this subsection shall lapse.

14 NEW SECTION. **Sec. 117. FOR THE LIEUTENANT GOVERNOR**

15	General Fund--State Appropriation (FY 2006)	\$752,000
16	General Fund--State Appropriation (FY 2007)	\$766,000
17	General Fund--Local Appropriation	\$1,000
18	TOTAL APPROPRIATION	\$1,519,000

19 NEW SECTION. **Sec. 118. FOR THE PUBLIC DISCLOSURE COMMISSION**

20	General Fund--State Appropriation (FY 2006)	\$1,989,000
21	General Fund--State Appropriation (FY 2007)	\$2,009,000
22	TOTAL APPROPRIATION	\$3,998,000

23 NEW SECTION. **Sec. 119. FOR THE SECRETARY OF STATE**

24	General Fund--State Appropriation (FY 2006)	\$19,102,000
25	General Fund--State Appropriation (FY 2007)	\$17,323,000
26	General Fund--Federal Appropriation	\$7,092,000
27	General Fund--Private/Local Appropriation	\$125,000
28	Archives and Records Management Account--State	
29	Appropriation	\$8,127,000
30	Department of Personnel Services Account--State	
31	Appropriation	\$719,000
32	Local Government Archives Account--State	
33	Appropriation	\$12,138,000
34	Election Account--Federal Appropriation	\$47,009,000
35	TOTAL APPROPRIATION	\$111,635,000

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

3 (1) \$2,296,000 of the general fund--state appropriation for fiscal
4 year 2006 is provided solely to reimburse counties for the state's
5 share of primary and general election costs and the costs of conducting
6 mandatory recounts on state measures. Counties shall be reimbursed
7 only for those odd-year election costs that the secretary of state
8 validates as eligible for reimbursement.

9 (2) \$1,999,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$2,403,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided solely for the verification of initiative
12 and referendum petitions, maintenance of related voter registration
13 records, and the publication and distribution of the voters and
14 candidates pamphlet.

15 (3) \$125,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$118,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for legal advertising of state
18 measures under RCW 29.27.072.

19 (4)(a) \$2,028,004 of the general fund--state appropriation for
20 fiscal year 2006 and \$2,063,772 of the general fund--state
21 appropriation for fiscal year 2007 are provided solely for contracting
22 with a nonprofit organization to produce gavel-to-gavel television
23 coverage of state government deliberations and other events of
24 statewide significance during the 2005-07 biennium. The funding level
25 for each year of the contract shall be based on the amount provided in
26 this subsection. The nonprofit organization shall be required to raise
27 contributions or commitments to make contributions, in cash or in kind,
28 in an amount equal to forty percent of the state contribution. The
29 office of the secretary of state may make full or partial payment once
30 all criteria in (a) and (b) of this subsection have been satisfactorily
31 documented.

32 (b) The legislature finds that the commitment of on-going funding
33 is necessary to ensure continuous, autonomous, and independent coverage
34 of public affairs. For that purpose, the secretary of state shall
35 enter into a contract with the nonprofit organization to provide public
36 affairs coverage.

37 (c) The nonprofit organization shall prepare an annual independent

1 audit, an annual financial statement, and an annual report, including
2 benchmarks that measure the success of the nonprofit organization in
3 meeting the intent of the program.

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

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

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

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

15 (5) \$196,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$173,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided for the implementation of House Bill No.
18 1749 (county election procedures). If the bill is not enacted by June
19 30, 2005, the amounts provided in this subsection shall lapse.

20 NEW SECTION. **Sec. 120. FOR THE GOVERNOR'S OFFICE OF INDIAN**
21 **AFFAIRS**

22	General Fund--State Appropriation (FY 2006)	\$277,000
23	General Fund--State Appropriation (FY 2007)	\$289,000
24	TOTAL APPROPRIATION	\$566,000

25 The appropriations in this section are subject to the following
26 conditions and limitations: The office shall assist the department of
27 personnel on providing the government-to-government training sessions
28 for federal, state, local, and tribal government employees. The
29 training sessions shall cover tribal historical perspectives, legal
30 issues, tribal sovereignty, and tribal governments. Costs of the
31 training sessions shall be recouped through a fee charged to the
32 participants of each session. The department of personnel shall be
33 responsible for all of the administrative aspects of the training,
34 including the billing and collection of the fees for the training.

35 NEW SECTION. **Sec. 121. FOR THE COMMISSION ON ASIAN-PACIFIC-**

1	AMERICAN AFFAIRS	
2	General Fund--State Appropriation (FY 2006)	\$235,000
3	General Fund--State Appropriation (FY 2007)	\$238,000
4	TOTAL APPROPRIATION	\$473,000

5	<u>NEW SECTION.</u> Sec. 122. FOR THE STATE TREASURER	
6	State Treasurer's Service Account--State	
7	Appropriation	\$14,124,000

8	<u>NEW SECTION.</u> Sec. 123. FOR THE STATE AUDITOR	
9	General Fund--State Appropriation (FY 2006)	\$1,884,000
10	General Fund--State Appropriation (FY 2007)	\$2,441,000
11	State Auditing Services Revolving Account--State	
12	Appropriation	\$13,952,000
13	TOTAL APPROPRIATION	\$18,277,000

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

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

21 (2) \$731,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$727,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely for staff and related costs to
24 verify the accuracy of reported school district data submitted for
25 state funding purposes; conduct school district program audits of state
26 funded public school programs; establish the specific amount of state
27 funding adjustments whenever audit exceptions occur and the amount is
28 not firmly established in the course of regular public school audits;
29 and to assist the state special education safety net committee when
30 requested.

31 (3) The office shall report to the office of financial management
32 and the appropriate fiscal committees of the legislature detailed
33 information on risk-based auditing, its theory, and its application for
34 the audits performed on Washington state government. The report shall
35 include an explanation of how the office identifies, measures, and
36 prioritizes risk, the manner in which the office uses these factors in

1 the planning and execution of the audits of Washington state
2 government, and the methods and procedures used in the conduct of the
3 risk-based audits themselves. The report is due no later than December
4 1, 2005.

5 (4) \$1,130,000 of the general fund--state appropriation for fiscal
6 year 2006, \$1,695,000 of the general fund--state appropriation for
7 fiscal year 2007, and \$2,000 of the state auditing services revolving
8 account--state appropriation for fiscal year 2006 are provided solely
9 for the implementation of Engrossed Substitute House Bill No. 1064
10 (government performance). If Engrossed Substitute House Bill No. 1064
11 is not enacted by June 30, 2005, the amounts provided in this
12 subsection shall lapse.

13 (5) \$16,000 of the general fund--state appropriation for fiscal
14 year 2006 is provided for a review of special education excess cost
15 accounting and reporting requirements. The state auditor's office
16 shall coordinate this work with the joint legislative audit and review
17 committee's review of the special education excess cost accounting
18 methodology and expenditure reporting requirements. The state
19 auditor's review shall include an examination of whether school
20 districts are (a) appropriately implementing the excess cost accounting
21 methodology; (b) consistently charging special education expenses to
22 the special education and basic education programs; (c) appropriately
23 determining the percentage of expenditures that should be charged to
24 the special education and basic education programs; and (d)
25 appropriately and consistently reporting special education
26 expenditures. The results of this review will be included in the joint
27 legislative audit and review committee's report issued in January 2006.

28 NEW SECTION. **Sec. 124. FOR THE CITIZENS' COMMISSION ON SALARIES**
29 **FOR ELECTED OFFICIALS**

30	General Fund--State Appropriation (FY 2006)	\$137,000
31	General Fund--State Appropriation (FY 2007)	\$206,000
32	TOTAL APPROPRIATION	\$343,000

33 NEW SECTION. **Sec. 125. FOR THE ATTORNEY GENERAL**

34	General Fund--State Appropriation (FY 2006)	\$5,223,000
35	General Fund--State Appropriation (FY 2007)	\$5,156,000
36	General Fund--Federal Appropriation	\$2,973,000

1	Public Safety and Education Account--State	
2	Appropriation	\$2,303,000
3	New Motor Vehicle Arbitration Account--State	
4	Appropriation	\$1,313,000
5	Legal Services Revolving Account--State Appropriation . .	\$185,970,000
6	Tobacco Prevention and Control Account--State	
7	Appropriation	\$270,000
8	TOTAL APPROPRIATION	\$203,208,000

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

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

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

22 NEW SECTION. **Sec. 126. FOR THE CASELOAD FORECAST COUNCIL**

23	General Fund--State Appropriation (FY 2006)	\$719,000
24	General Fund--State Appropriation (FY 2007)	\$714,000
25	TOTAL APPROPRIATION	\$1,433,000

26 NEW SECTION. **Sec. 127. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
27 **AND ECONOMIC DEVELOPMENT**

28	General Fund--State Appropriation (FY 2006)	\$66,123,000
29	General Fund--State Appropriation (FY 2007)	\$67,151,000
30	General Fund--Federal Appropriation	\$246,886,000
31	General Fund--Private/Local Appropriation	\$12,229,000
32	Public Safety and Education Account--State	
33	Appropriation	\$5,439,000
34	Public Works Assistance Account--State Appropriation . . .	\$3,395,000
35	Tourism Development and Promotion Account	
36	Appropriation	\$300,000

1	Drinking Water Assistance Administrative Account--	
2	State Appropriation	\$213,000
3	Lead Paint Account--State Appropriation	\$6,000
4	Building Code Council Account--State Appropriation	\$1,130,000
5	Administrative Contingency Account--State	
6	Appropriation	\$1,808,000
7	Low-Income Weatherization Assistance Account--State	
8	Appropriation	\$8,362,000
9	Violence Reduction and Drug Enforcement Account--State	
10	Appropriation	\$7,231,000
11	Manufactured Home Installation Training Account--State	
12	Appropriation	\$240,000
13	Community and Economic Development Fee Account--State	
14	Appropriation	\$1,570,000
15	Washington Housing Trust Account--State	
16	Appropriation	\$19,009,000
17	Homeless Families Services Account--State	
18	Appropriation	\$300,000
19	Public Facility Construction Loan Revolving	
20	Account--State Appropriation	\$614,000
21	TOTAL APPROPRIATION	\$442,006,000

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

24 (1) \$2,838,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$2,838,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely for a contract with the Washington
27 technology center for work essential to the mission of the Washington
28 technology center and conducted in partnership with universities. The
29 center shall not pay any increased indirect rate nor increases in other
30 indirect charges above the absolute amount paid during the 1995-97
31 fiscal biennium.

32 (2) \$5,902,000 of the general fund--federal appropriation is
33 provided solely for the justice assistance grant program, to be
34 distributed in state fiscal year 2006 as follows:

35 (a) \$2,064,000 to local units of government to continue
36 multijurisdictional narcotics task forces;

37 (b) \$330,000 to the department to continue the drug prosecution

1 assistance program in support of multijurisdictional narcotics task
2 forces;

3 (c) \$675,000 to the Washington state patrol for coordination,
4 investigative, and supervisory support to the multijurisdictional
5 narcotics task forces and for methamphetamine education and response;

6 (d) \$20,000 to the department for tribal law enforcement;

7 (e) \$345,000 to the department to continue domestic violence legal
8 advocacy;

9 (f) \$60,000 to the department for community-based advocacy services
10 to victims of violent crime, other than sexual assault and domestic
11 violence;

12 (g) \$351,000 to the department of social and health services,
13 division of alcohol and substance abuse, for juvenile drug courts in
14 eastern and western Washington;

15 (h) \$626,000 to the department of social and health services to
16 continue youth violence prevention and intervention projects;

17 (i) \$97,000 to the department to continue evaluation of this grant
18 program;

19 (j) \$290,000 to the office of financial management for criminal
20 history records improvement;

21 (k) \$580,000 to the department for required grant administration,
22 monitoring, and reporting on justice assistance grant programs; and

23 (l) \$464,000 to the department for distribution to small
24 municipalities.

25 These amounts represent the maximum justice assistance grant
26 expenditure authority for each program. No program may expend justice
27 assistance grant funds in excess of the amounts provided in this
28 subsection. If moneys in excess of those appropriated in this
29 subsection become available, whether from prior or current fiscal year
30 distributions, the department shall hold these moneys in reserve and
31 may not expend them without specific appropriation. These moneys shall
32 be carried forward and applied to the pool of moneys available for
33 appropriation for programs and projects in the succeeding fiscal year.
34 As part of its budget request for the succeeding year, the department
35 shall estimate and request authority to spend any justice assistance
36 grant funds.

37 (3) \$170,000 of the general fund--state appropriation for fiscal

1 year 2006 and \$170,000 of the general fund--state appropriation for
2 fiscal year 2007 are provided solely to fund domestic violence legal
3 advocacy, in recognition of reduced federal grant funding.

4 (4) \$28,848,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$29,941,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for providing early childhood
7 education assistance. Of these amounts, \$1,497,000 in each fiscal year
8 is provided solely to increase the number of children receiving
9 education, and \$1,052,000 in fiscal year 2006 and \$2,146,000 in fiscal
10 year 2007 are provided solely for a targeted vendor rate increase.

11 (5) 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 (6) \$1,288,000 of the Washington housing trust account--state
25 appropriation is provided solely to implement Engrossed House Bill No.
26 1074. If the bill is not enacted by June 30, 2005, the amounts in this
27 subsection shall lapse.

28 (7) \$725,000 of the general fund--state appropriation for fiscal
29 year 2006 and \$725,000 of the general fund--state appropriation for
30 fiscal year 2007 are provided solely for food banks to obtain and
31 distribute additional nutritious food; and purchase equipment to
32 transport and store perishable products.

33 (8) \$500,000 of the general fund--state appropriation for fiscal
34 year 2006 and \$500,000 of the general fund--state appropriation for
35 fiscal year 2007 are provided solely for the community services block
36 grant program to help meet current service demands that exceed
37 available community action resources.

1 (9) \$215,000 of the general fund--state appropriation for fiscal
2 year 2006 is provided solely for matching funds for a federal economic
3 development administration grant awarded to the city of Kent to conduct
4 a feasibility study and economic analysis for the establishment of a
5 center for advanced manufacturing.

6 (10) \$20,000 of the general fund--state appropriation for fiscal
7 year 2006 is provided solely for the department to compile a report on
8 housing stock in Washington state to identify areas of potentially high
9 risk for child lead exposure. This report shall include an analysis of
10 existing data regarding the ages of housing stock in specific regions
11 and an analysis of data regarding actual lead poisoning cases, which
12 shall be provided by the department of health's childhood lead
13 poisoning surveillance program.

14 (11) \$150,000 of general fund--state appropriation for fiscal year
15 2006 is provided solely for the Cascade land conservancy to develop and
16 implement a plan for regional conservation within King, Kittitas,
17 Pierce, and Snohomish counties.

18 (12) \$50,000 of the general fund--state appropriation for fiscal
19 year 2006 is provided solely for the support, including safety and
20 security costs, of the America's freedom salute to be held in the
21 Vancouver, Washington area.

22 (13) \$250,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$250,000 of the general fund--state appropriation for
24 fiscal year 2007 are provided solely to Snohomish county for a law
25 enforcement and treatment methamphetamine pilot program. \$250,000 of
26 the general fund--state appropriation for fiscal year 2006 and \$250,000
27 of the general fund--state appropriation for fiscal year 2007 are
28 provided solely to the Pierce county alliance's methamphetamine family
29 services treatment program and safe streets of Tacoma's methamphetamine
30 prevention service.

31 (14) \$50,000 of the general fund--state appropriation is provided
32 solely for one pilot project to promote the study and implementation of
33 safe neighborhoods through community planning.

34 (15) \$287,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$288,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely for Walla Walla community college
37 to establish the water and environmental studies center to provide
38 workforce education and training, encourage innovative approaches and

1 practices that address environmental and cultural issues, and
2 facilitate the Walla Walla watershed alliance role in promoting
3 communication leading to cooperative conservation efforts that
4 effectively address urban and rural water and environmental issues.

5 (16) \$50,000 of the general fund--state appropriation for fiscal
6 year 2006 is provided solely for work with the northwest food
7 processors association on the food processing cluster development
8 project.

9 (17) \$200,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$100,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided solely for the northwest agriculture
12 incubator project, which will support small farms in economic
13 development.

14 (18) \$75,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$75,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided solely to the department of community,
17 trade, and economic development as the final appropriation for the
18 youth assessment center in Pierce county for activities dedicated to
19 reducing the rate of incarceration of juvenile offenders.

20 (19) \$235,000 of the general fund--state appropriation for fiscal
21 year 2006 and \$235,000 of the general fund--state appropriation for
22 fiscal year 2007 are provided solely for the implementation of the
23 small business incubator program. \$250,000 must be distributed as
24 grants and must be matched by an equal amount of private funds.

25 (20) The department shall coordinate any efforts geared towards the
26 2010 Olympics with the regional effort being conducted by the Pacific
27 northwest economic region, a statutory committee.

28 (21) \$75,000 of the general fund--state appropriation for fiscal
29 year 2006 and \$75,000 of the general fund--state appropriation for
30 fiscal year 2007 are provided solely for HistoryLink to expand its
31 free, noncommercial online encyclopedia service on state and local
32 history.

33 (22) \$25,000 of the general fund--state appropriation for fiscal
34 year 2006 and \$25,000 of the general fund--state appropriation for
35 fiscal year 2007 are provided solely for Women's Hearth, a nonprofit
36 program serving the Spokane area's homeless and low-income women.

1 NEW SECTION. **Sec. 128. FOR THE ECONOMIC AND REVENUE FORECAST**
2 **COUNCIL**

3	General Fund--State Appropriation (FY 2006)	\$573,000
4	General Fund--State Appropriation (FY 2007)	\$517,000
5	TOTAL APPROPRIATION	\$1,090,000

6 NEW SECTION. **Sec. 129. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

7	General Fund--State Appropriation (FY 2006)	\$16,993,000
8	General Fund--State Appropriation (FY 2007)	\$16,050,000
9	General Fund--Federal Appropriation	\$23,550,000
10	Public Works Assistance Account--State Appropriation	\$200,000
11	Violence Reduction and Drug Enforcement Account--State	
12	Appropriation	\$246,000
13	State Auditing Services Revolving Account--State	
14	Appropriation	\$25,000
15	TOTAL APPROPRIATION	\$57,064,000

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

18 (1) \$200,000 of the public works assistance account appropriation
19 is provided solely for an inventory and evaluation of the most
20 effective way to organize the state public infrastructure programs and
21 funds. The inventory and evaluation shall be delivered to the governor
22 and the appropriate committees of the legislature by September 1, 2005.

23 (2)(a) \$182,000 of the general fund--state appropriation for fiscal
24 year 2006 is provided solely for an advisory council to study
25 residential services for persons with developmental disabilities. The
26 study shall identify a preferred system of services and a plan to
27 implement the system within four years. Recommendations shall be
28 provided on the services that best address client needs in different
29 regions of the state and on the preferred system by January 1, 2006.
30 The office of financial management may contract for specialized
31 services to complete the study.

32 (b) The advisory council shall consist of thirteen members.
33 Members appointed by the governor, include one representative from each
34 of the governor's office or the office of financial management, the
35 department of social and health services, the Washington state
36 disabilities council, two labor organizations, the community
37 residential care providers, residents of residential habilitation

1 centers, individuals served by community residential programs, and
2 individuals with developmental disabilities who reside or resided in
3 residential habilitation centers. The advisory council shall also
4 include two members of the house of representatives appointed by the
5 speaker of the house of representatives representing the majority and
6 minority caucuses and two members of the senate appointed by the
7 president of the senate representing the majority and minority
8 caucuses. Legislative members of the advisory group shall be
9 reimbursed in accordance with RCW 44.04.120, and nonlegislative members
10 in accordance with RCW 43.03.050 and 44.04.120. Staff support shall be
11 provided by the department of social and health services, the
12 developmental disabilities council, the office of financial management,
13 the house of representatives office of program research, and senate
14 committee services.

15 (3) \$1,041,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$706,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for the implementation of
18 Engrossed Second Substitute Senate Bill No. 5441 (studying early
19 learning, K-12, and higher education). If the bill is not enacted by
20 June 30, 2005, the amounts provided in this subsection shall lapse.

21 (4) \$200,000 of the general fund--state appropriation for fiscal
22 year 2006 is provided to the office of regulatory assistance and is
23 subject to the following conditions and limitations:

24 (a) This amount is provided solely for the enhanced planning and
25 permit pilot program; and

26 (b) Regulatory assistance is to select two local government
27 planning and permitting offices to participate in an enhanced permit
28 assistance pilot program. Such enhancement may include, but is not
29 limited to:

30 (i) Creation of local and state interagency planning and permit
31 review teams;

32 (ii) Use of advanced online planning and permit applications;

33 (iii) Using loaned executives; and

34 (iv) Additional technical assistance and guidance for permit
35 applicants.

36 (5) \$303,000 of the general fund--state appropriation for fiscal
37 year 2006 and \$255,000 of the general fund--state appropriation for
38 fiscal year 2007 are provided solely for the implementation of Second

1 Substitute House Bill No. 1970 (government management). If the bill is
2 not enacted by June 30, 2005, the amounts provided in this subsection
3 shall lapse.

4 (6) \$200,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$200,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for implementation of Substitute
7 Engrossed House Bill No. 1242 (budgeting outcomes and priorities). If
8 the bill is not enacted by June 30, 2005, the amounts provided in this
9 subsection shall lapse.

10 (7) The department of ecology, the department of fish and wildlife,
11 the department of natural resources, the conservation commission, and
12 the interagency committee for outdoor recreation shall make
13 recommendations to improve or eliminate monitoring activities related
14 to salmon recovery and watershed health. The agencies shall coordinate
15 with the governor's forum on monitoring and watershed health and
16 consult with the office of financial management in determining the
17 scope and contents of the report.

18 The agencies shall prepare a report detailing all new activity and
19 updating all previously identified activity within the comprehensive
20 monitoring strategy. The report shall identify the monitoring activity
21 being performed and include: The purpose of the monitoring activity,
22 when the activity started, who uses the information, how often it is
23 accessed, what costs are incurred by fund, what frequency is used to
24 collect data, what geographic location is used to collect data, where
25 the information is stored, and what is the current status and cost by
26 fund source of the data storage systems.

27 The agencies shall provide a status report summarizing progress to
28 the governor's forum on monitoring and watershed health and the office
29 of financial management by March 1, 2006. A final report to the
30 governor's monitoring forum, the office of financial management, and
31 the appropriate legislative fiscal committees shall be submitted no
32 later than September 1, 2006.

33 NEW SECTION. **Sec. 130. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
34 Administrative Hearings Revolving Account--State
35 Appropriation \$29,490,000

36 The appropriation in this section is subject to the following
37 conditions and limitations: \$103,000 of the administrative hearing

1 revolving account--state appropriation is provided solely to determine,
2 in collaboration with other state agencies, the best mechanism of
3 digital recording for the office of administrative hearings, the manner
4 of conversion from tape recording to digital recording, and the
5 purchase of digital recording devices.

6 **NEW SECTION. Sec. 131. FOR THE DEPARTMENT OF PERSONNEL**

7 Department of Personnel Service Account--State

8 Appropriation \$20,323,000

9 Higher Education Personnel Services Account--State

10 Appropriation \$1,634,000

11 TOTAL APPROPRIATION \$21,957,000

12 The appropriations in this section are subject to the following
13 conditions and limitations: The department shall coordinate with the
14 governor's office of Indian affairs on providing the government-to-
15 government training sessions for federal, state, local, and tribal
16 government employees. The training sessions shall cover tribal
17 historical perspectives, legal issues, tribal sovereignty, and tribal
18 governments. Costs of the training sessions shall be recouped through
19 a fee charged to the participants of each session. The department
20 shall be responsible for all of the administrative aspects of the
21 training, including the billing and collection of the fees for the
22 training.

23 **NEW SECTION. Sec. 132. FOR THE WASHINGTON STATE LOTTERY**

24 Lottery Administrative Account--State Appropriation . . . \$24,087,000

25 The appropriation in this section is subject to the following
26 conditions and limitations: The appropriation in this section may not
27 be expended by the Washington state lottery for any purpose associated
28 with a lottery game offered through any interactive electronic device,
29 including the internet.

30 **NEW SECTION. Sec. 133. FOR THE COMMISSION ON HISPANIC AFFAIRS**

31 General Fund--State Appropriation (FY 2006) \$238,000

32 General Fund--State Appropriation (FY 2007) \$247,000

33 TOTAL APPROPRIATION \$485,000

1 NEW SECTION. **Sec. 134. FOR THE COMMISSION ON AFRICAN-AMERICAN**
2 **AFFAIRS**

3	General Fund--State Appropriation (FY 2006)	\$237,000
4	General Fund--State Appropriation (FY 2007)	\$240,000
5	TOTAL APPROPRIATION	\$477,000

6 NEW SECTION. **Sec. 135. FOR THE PERSONNEL APPEALS BOARD**

7	Department of Personnel Service Account--State	
8	Appropriation	\$1,043,000

9 NEW SECTION. **Sec. 136. FOR THE DEPARTMENT OF RETIREMENT**
10 **SYSTEMS--OPERATIONS**

11	Dependent Care Administrative Account--State	
12	Appropriation	\$416,000
13	Department of Retirement Systems Expense Account--	
14	State Appropriation	\$45,056,000
15	TOTAL APPROPRIATION	\$45,472,000

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

18 (1) \$13,000 of the department of retirement systems expense account
19 appropriation is provided solely to implement House Bill No. 1327,
20 chapter 65, Laws of 2005 (purchasing service credit).

21 (2) \$10,000 of the department of retirement systems expense account
22 appropriation is provided solely to implement House Bill No. 1269,
23 chapter 21, Laws of 2005 (law enforcement officers' and fire fighters'
24 retirement system plan 2 service credit purchase).

25 (3) \$55,000 of the department of retirement systems expense account
26 appropriation is provided solely to implement House Bill No. 1270 (law
27 enforcement officers' and fire fighters' retirement system plan 2
28 postretirement employment). If the bill is not enacted by June 30,
29 2005, the amounts provided in this subsection shall lapse.

30 (4) \$26,000 of the department of retirement systems expense account
31 appropriation is provided solely to implement House Bill No. 1319,
32 chapter 62, Laws of 2005 (law enforcement officers' and fire fighters'
33 retirement system plan 1 ex-spouse benefits).

34 (5) \$46,000 of the department of retirement systems expense account
35 appropriation is provided solely to implement House Bill No. 1325,
36 chapter 64, Laws of 2005 (military service credit purchase).

1 (6) \$79,000 of the department of retirement systems expense account
2 appropriation is provided solely to implement House Bill No. 1329,
3 chapter 67, Laws of 2005 (law enforcement officers' and fire fighters'
4 retirement system plan 1 reduced survivor benefit).

5 (7) \$56,000 of the department of retirement systems expense account
6 appropriation is provided solely to implement House Bill No. 1936
7 (emergency medical technician membership in law enforcement officers'
8 and fire fighters' retirement system plan 2 service). If the bill is
9 not enacted by June 30, 2005, the amounts provided in this subsection
10 shall lapse.

11 (8) \$16,000 of the department of retirement systems expense account
12 is provided solely to implement Senate Bill No. 5522 (purchasing
13 service credit lost due to injury). If the bill is not enacted by June
14 30, 2005, the amount provided in this subsection shall lapse.

15 NEW SECTION. **Sec. 137. FOR THE STATE INVESTMENT BOARD**

16 State Investment Board Expense Account--State
17 Appropriation \$16,020,000

18 NEW SECTION. **Sec. 138. FOR THE DEPARTMENT OF REVENUE**

19 General Fund--State Appropriation (FY 2006) \$90,065,000
20 General Fund--State Appropriation (FY 2007) \$91,207,000
21 Timber Tax Distribution Account--State Appropriation . . . \$5,609,000
22 Waste Reduction/Recycling/Litter Control--State
23 Appropriation \$108,000
24 State Toxics Control Account--State Appropriation \$73,000
25 Oil Spill Prevention Account--State Appropriation \$14,000
26 TOTAL APPROPRIATION \$187,076,000

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

29 (1) \$113,000 of the general fund--state appropriation for fiscal
30 year 2006, and \$93,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely for the implementation of House
32 Bill No. 1315 (modifying disclosure requirements for the purposes of
33 the real estate excise tax). If House Bill No. 1315 is not enacted by
34 June 30, 2005, the amounts provided in this subsection shall lapse.

35 (2) \$7,000 of the general fund--state appropriation for fiscal year
36 2006 and \$2,000 of the general fund--state appropriation for fiscal

1 year 2007 are provided solely for the implementation of Substitute
2 Senate Bill No. 5101 (renewable energy). If Substitute Senate Bill No.
3 5101 is not enacted by June 30, 2005, the amounts provided in this
4 subsection shall lapse.

5 (3) \$100,000 of the general fund--state appropriation for fiscal
6 year 2006 is provided solely for the implementation of Engrossed House
7 Bill No. 1241 (modifying vehicle licensing and registration penalties).
8 If Engrossed House Bill No. 1241 is not enacted by June 30, 2005, the
9 amount provided in this subsection shall lapse.

10 (4) \$1,390,000 of the general fund--state appropriation for fiscal
11 year 2006, and \$1,240,000 of the general fund--state appropriation for
12 fiscal year 2007 are provided solely for the department to employ
13 strategies to enhance current revenue enforcement activities.

14 NEW SECTION. **Sec. 139. FOR THE BOARD OF TAX APPEALS**

15	General Fund--State Appropriation (FY 2006)	\$1,362,000
16	General Fund--State Appropriation (FY 2007)	\$1,211,000
17	TOTAL APPROPRIATION	\$2,573,000

18 NEW SECTION. **Sec. 140. FOR THE MUNICIPAL RESEARCH COUNCIL**

19	County Research Services Account--State Appropriation	\$787,000
20	City and Town Research Services Account--State	
21	Appropriation	\$4,134,000
22	TOTAL APPROPRIATION	\$4,921,000

23 NEW SECTION. **Sec. 141. FOR THE OFFICE OF MINORITY AND WOMEN'S**
24 **BUSINESS ENTERPRISES**

25	OMWBE Enterprises Account--State Appropriation	\$3,186,000
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26 The appropriation in this section is subject to the following
27 conditions and limitations: \$180,000 of the OMWBE enterprises account
28 appropriation is provided solely for management of private sector
29 grants and coordination of support services to small businesses in the
30 state. It is the intent of the legislature that this amount be funded
31 from new grant revenues and business fees.

32 NEW SECTION. **Sec. 142. FOR THE DEPARTMENT OF GENERAL**
33 **ADMINISTRATION**

34	General Fund--State Appropriation (FY 2006)	\$321,000
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1	General Fund--State Appropriation (FY 2007)	\$233,000
2	General Fund--Federal Appropriation	\$3,640,000
3	General Administration Service Account--State	
4	Appropriation	\$32,045,000
5	TOTAL APPROPRIATION	\$36,239,000

6 The appropriations in this section are subject to the following
7 conditions and limitations: \$75,000 of the general fund--state
8 appropriation for fiscal year 2006 is provided solely for the
9 implementation of House Bill No. 1830 (alternative public works). If
10 Engrossed Substitute House Bill No. 1830 is not enacted by June 30,
11 2005, the amount provided in this subsection shall lapse.

12 **NEW SECTION. Sec. 143. FOR THE DEPARTMENT OF INFORMATION**
13 **SERVICES**

14	Data Processing Revolving Account--State	
15	Appropriation	\$3,612,000
16	Public Safety and Education Account--State	
17	Appropriation	\$684,000
18	TOTAL APPROPRIATION	\$4,296,000

19 **NEW SECTION. Sec. 144. FOR THE INSURANCE COMMISSIONER**

20	General Fund--Federal Appropriation	\$673,000
21	Insurance Commissioners Regulatory Account--State	
22	Appropriation	\$40,253,000
23	TOTAL APPROPRIATION	\$40,926,000

24 **NEW SECTION. Sec. 145. FOR THE BOARD OF ACCOUNTANCY**

25	Certified Public Accountants' Account--State	
26	Appropriation	\$1,962,000

27 **NEW SECTION. Sec. 146. FOR THE FORENSIC INVESTIGATION COUNCIL**

28	Death Investigations Account--State Appropriation	\$282,000
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29 The appropriation in this section is subject to the following
30 conditions and limitations: \$250,000 of the death investigation
31 account appropriation is provided solely for providing financial
32 assistance to local jurisdictions in multiple death investigations.
33 The forensic investigation council shall develop criteria for awarding

1 these funds for multiple death investigations involving an
2 unanticipated, extraordinary, and catastrophic event or those involving
3 multiple jurisdictions.

4 NEW SECTION. **Sec. 147. FOR THE HORSE RACING COMMISSION**

5 Horse Racing Commission Operating Account--State
6 Appropriation \$5,009,000

7 NEW SECTION. **Sec. 148. FOR THE LIQUOR CONTROL BOARD**

8 General Fund--State Appropriation (FY 2006) \$1,739,000
9 General Fund--State Appropriation (FY 2007) \$1,706,000
10 Liquor Control Board Construction and Maintenance
11 Account--State Appropriation \$12,832,000
12 Liquor Revolving Account--State Appropriation \$154,080,000
13 TOTAL APPROPRIATION \$170,357,000

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

16 (1) As authorized under RCW 66.16.010, the liquor control board
17 shall add an equivalent surcharge of \$0.42 per liter on all retail
18 sales of spirits, excluding licensee, military and tribal sales,
19 effective no later than July 1, 2005. The intent of this surcharge is
20 to generate additional revenues for the state general fund in the
21 2005-07 biennium.

22 (2) \$154,000 of the liquor revolving account--state appropriation
23 is provided solely for the lease of state vehicles from the department
24 of general administration's motor pool.

25 (3) \$2,228,000 of the liquor revolving account--state appropriation
26 is provided solely for costs associated with the installation of a wide
27 area network that connects all of the state liquor stores and the
28 liquor control board headquarters.

29 (4) \$186,000 of the liquor revolving account--state appropriation
30 is provided solely for an alcohol education staff coordinator and
31 associated alcohol educational resources targeted toward middle school
32 and high school students.

33 (5) \$2,261,000 of the liquor revolving account--state appropriation
34 is provided solely for replacement of essential computer equipment,
35 improvement of security measures, and improvement to the core
36 information technology infrastructure.

1 (6) \$2,800,000 of the liquor control board construction and
2 maintenance account--state appropriation is provided solely for the
3 certificate of participation to fund the expansion of the liquor
4 distribution center.

5 (7) \$3,233,000 of the liquor revolving account--state appropriation
6 is provided solely for upgrades to material handling system and
7 warehouse management system software and equipment, and associated
8 staff to increase the liquor distribution center's shipping capacity.

9 (8) \$2,746,000 of the liquor revolving account--state appropriation
10 is provided solely for additional state liquor store and retail
11 business analysis staff. The additional liquor store staff will be
12 deployed to those stores with the greatest potential for increased
13 customer satisfaction and revenue growth. The liquor control board,
14 using the new retail business analysis staff and, if needed, an
15 independent consultant, will analyze the impact of additional staff on
16 customer satisfaction and revenue growth and make recommendations that
17 will increase the effectiveness and efficiency of all the liquor
18 control board's retail-related activities. Using best practices and
19 benchmarks from comparable retail organizations, the analysis will
20 evaluate and make recommendations, at a minimum, on the following
21 issues: Optimal staffing levels and store locations and numbers of
22 stores (both state liquor stores and contract liquor stores); options
23 for an improved retail organizational structure; strategies to increase
24 the retail decision-making capacity; and resources required for
25 enhanced internal organizational support of the retail activities. In
26 support of this evaluation, a survey shall be employed to gauge
27 customer satisfaction with state and contract liquor store services.
28 A written evaluation with recommendations shall be submitted to the
29 governor and the legislative fiscal committees by October 1, 2006.

30 (9) \$187,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$122,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the implementation of Senate
33 Bill No. 6097 (tobacco products enforcement). If Senate Bill No. 6097
34 is not enacted by June 30, 2005, the amounts provided in this
35 subsection shall lapse.

36 (10) \$1,435,000 of the liquor revolving account--state
37 appropriation is provided solely for the implementation of Substitute

1 House Bill No. 1379 (liquor retail plan). If Substitute House Bill No.
2 1379 is not enacted by June 30, 2005, the amounts provided in this
3 subsection shall lapse.

4 NEW SECTION. **Sec. 149. FOR THE UTILITIES AND TRANSPORTATION**
5 **COMMISSION**

6	Public Service Revolving Account--State Appropriation . . .	\$28,436,000
7	Pipeline Safety Account--State Appropriation	\$2,877,000
8	Pipeline Safety Account--Federal Appropriation	\$1,535,000
9	TOTAL APPROPRIATION	\$32,848,000

10 NEW SECTION. **Sec. 150. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

11 Volunteer Firefighters' and Reserve Officers'

12	Administrative Account--State Appropriation	\$768,000
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13 NEW SECTION. **Sec. 151. FOR THE MILITARY DEPARTMENT**

14	General Fund--State Appropriation (FY 2006)	\$10,084,000
15	General Fund--State Appropriation (FY 2007)	\$9,362,000
16	General Fund--Federal Appropriation	\$165,970,000
17	General Fund--Local Appropriation	\$2,000
18	Enhanced 911 Account--State Appropriation	\$34,766,000
19	Disaster Response Account--State Appropriation	\$2,277,000
20	Disaster Response Account--Federal Appropriation	\$11,008,000
21	Worker and Community Right-to-Know Account--State	
22	Appropriation	\$314,000
23	Nisqually Earthquake Account--State Appropriation	\$6,713,000
24	Nisqually Earthquake Account--Federal Appropriation	\$29,127,000
25	Military Department Rental and Lease Account--State	
26	Appropriation	\$378,000
27	TOTAL APPROPRIATION	\$270,001,000

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

30 (1) \$2,277,000 of the disaster response account--state
31 appropriation and \$11,008,000 of the disaster response account--federal
32 appropriation may be spent only on disasters declared by the governor
33 and with the approval of the office of financial management. The
34 military department shall submit a report quarterly to the office of
35 financial management and the legislative fiscal committees detailing

1 information on the disaster response account, including: (a) The
2 amount and type of deposits into the account; (b) the current available
3 fund balance as of the reporting date; and (c) the projected fund
4 balance at the end of the 2005-07 biennium based on current revenue and
5 expenditure patterns.

6 (2) \$6,713,000 of the Nisqually earthquake account--state
7 appropriation and \$29,127,000 of the Nisqually earthquake account--
8 federal appropriation are provided solely for response and recovery
9 costs associated with the February 28, 2001, earthquake. The military
10 department shall submit a report quarterly to the office of financial
11 management and the legislative fiscal committees detailing earthquake
12 recovery costs, including: (a) Estimates of total costs; (b)
13 incremental changes from the previous estimate; (c) actual
14 expenditures; (d) estimates of total remaining costs to be paid; and
15 (e) estimates of future payments by biennium. This information shall
16 be displayed by fund, by type of assistance, and by amount paid on
17 behalf of state agencies or local organizations. The military
18 department shall also submit a report quarterly to the office of
19 financial management and the legislative fiscal committees detailing
20 information on the Nisqually earthquake account, including: (a) The
21 amount and type of deposits into the account; (b) the current available
22 fund balance as of the reporting date; and (c) the projected fund
23 balance at the end of the 2005-07 biennium based on current revenue and
24 expenditure patterns.

25 (3) \$127,586,000 of the general fund--federal appropriation is
26 provided solely for homeland security, subject to the following
27 conditions:

28 (a) Any communications equipment purchased by local jurisdictions
29 or state agencies shall be consistent with standards set by the
30 Washington state interoperability executive committee;

31 (b) This amount shall not be allotted until a spending plan is
32 reviewed by the governor's domestic security advisory group and
33 approved by the office of financial management;

34 (c) The department shall submit a quarterly report to the office of
35 financial management and the legislative fiscal committees detailing
36 the governor's domestic security advisory group recommendations;
37 homeland security revenues and expenditures, including estimates of
38 total federal funding for the state; incremental changes from the

1 previous estimate, planned and actual homeland security expenditures by
2 the state and local governments with this federal funding; and matching
3 or accompanying state or local expenditures; and

4 (d) The department shall submit a report by December 1st of each
5 year to the office of financial management and the legislative fiscal
6 committees detailing homeland security revenues and expenditures for
7 the previous fiscal year by county and legislative district.

8 (4) \$867,000 of the general fund--state appropriation for fiscal
9 year 2006 is provided solely for the Cowlitz county 911 communications
10 center for the purpose of purchasing or reimbursing the purchase of
11 interoperable radio communication technology to improve disaster
12 response in the Mount St. Helens area.

13 (5) No funds from sources other than fees from voice over internet
14 protocol (VOIP) providers may be used to implement technologies
15 specific to the integration of VOIP 911 with E-911. The military
16 department, in conjunction with the department of revenue, shall
17 propose methods for assuring the collection of an appropriate enhanced
18 911 excise tax from VOIP 911 providers and shall report their
19 recommendations to the legislature by November 1, 2005.

20 NEW SECTION. **Sec. 152. FOR THE PUBLIC EMPLOYMENT RELATIONS**
21 **COMMISSION**

22	General Fund--State Appropriation (FY 2006)	\$2,776,000
23	General Fund--State Appropriation (FY 2007)	\$2,824,000
24	Department of Personnel Service Account--State	
25	Appropriation	\$2,945,000
26	TOTAL APPROPRIATION	\$8,545,000

27 NEW SECTION. **Sec. 153. FOR THE GROWTH PLANNING HEARINGS BOARD**

28	General Fund--State Appropriation (FY 2006)	\$1,571,000
29	General Fund--State Appropriation (FY 2007)	\$1,587,000
30	TOTAL APPROPRIATION	\$3,158,000

31 The appropriations in this section are subject to the following
32 conditions and limitations: \$9,000 of the general fund--state
33 appropriation for fiscal year 2006 and \$9,000 of the general fund--
34 state appropriation for fiscal year 2007 are provided solely for the
35 Western Board to relocate. If the Western Board does not relocate by
36 June 30, 2006, the amounts provided in this subsection shall lapse.

1 NEW SECTION. **Sec. 154. FOR THE STATE CONVENTION AND TRADE CENTER**
2 State Convention and Trade Center Account--State
3 Appropriation \$30,512,000
4 State Convention and Trade Center Operating
5 Account--State Appropriation \$46,470,000
6 TOTAL APPROPRIATION \$76,982,000

7 NEW SECTION. **Sec. 155. FOR THE DEPARTMENT OF ARCHAEOLOGY AND**
8 **HISTORIC PRESERVATION**
9 General Fund--State Appropriation (FY 2006) \$550,000
10 General Fund--State Appropriation (FY 2007) \$549,000
11 General Fund--Federal Appropriation \$1,446,000
12 General Fund--Local Appropriation \$14,000
13 TOTAL APPROPRIATION \$2,559,000

(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 department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage Medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP) the department may combine and transfer such Medicaid funds appropriated under sections 204, 206, 208, and 209 of this act as may be necessary to finance a unified health care plan for the WMIP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons during the 2005-2007 biennium. The amount

1 of funding assigned to the pilot projects from each program may not
 2 exceed the average per capita cost assumed in this act for individuals
 3 covered by that program, actuarially adjusted for the health condition
 4 of persons enrolled in the pilot, times the number of clients enrolled
 5 in the pilot. In implementing the WMIP pilot projects, the department
 6 may: (a) Withhold from calculations of "available resources" as set
 7 forth in RCW 71.24.025 a sum equal to the capitated rate for
 8 individuals enrolled in the pilots; and (b) employ capitation financing
 9 and risk-sharing arrangements in collaboration with health care service
 10 contractors licensed by the office of the insurance commissioner and
 11 qualified to participate in both the medicaid and medicare programs.
 12 The department shall conduct an evaluation of the WMIP, measuring
 13 changes in participant health outcomes, changes in patterns of service
 14 utilization, participant satisfaction, participant access to services,
 15 and the state fiscal impact.

16 (4) In accordance with RCW 74.39A.300, the appropriations to the
 17 department of social and health services in this act are sufficient to
 18 implement the compensation and fringe benefits of the collective
 19 bargaining agreement reached between the governor and the exclusive
 20 bargaining representative of individual providers of home care
 21 services.

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

24	General Fund--State Appropriation (FY 2006)	\$251,005,000
25	General Fund--State Appropriation (FY 2007)	\$266,350,000
26	General Fund--Federal Appropriation	\$421,401,000
27	General Fund--Private/Local Appropriation	\$400,000
28	Public Safety and Education Account--State	
29	Appropriation	\$10,754,000
30	Violence Reduction and Drug Enforcement Account--State	
31	Appropriation	\$1,510,000
32	TOTAL APPROPRIATION	\$951,420,000

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

35 (1) \$2,271,000 of the general fund--state appropriation for fiscal
 36 year 2006, \$2,271,000 of the general fund--state appropriation for

1 fiscal year 2007, and \$1,584,000 of the general fund--federal
2 appropriation are provided solely for the category of services titled
3 "intensive family preservation services."

4 (2) \$701,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$701,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely to contract for the operation of
7 one pediatric interim care facility. The facility shall provide
8 residential care for up to thirteen children through two years of age.
9 Seventy-five percent of the children served by the facility must be in
10 need of special care as a result of substance abuse by their mothers.
11 The facility shall also provide on-site training to biological,
12 adoptive, or foster parents. The facility shall provide at least three
13 months of consultation and support to parents accepting placement of
14 children from the facility. The facility may recruit new and current
15 foster and adoptive parents for infants served by the facility. The
16 department shall not require case management as a condition of the
17 contract.

18 (3) \$375,000 of the general fund--state appropriation for fiscal
19 year 2006, \$375,000 of the general fund--state appropriation for fiscal
20 year 2007, and \$322,000 of the general fund--federal appropriation are
21 provided solely for up to three nonfacility-based programs for the
22 training, consultation, support, and recruitment of biological, foster,
23 and adoptive parents of children through age three in need of special
24 care as a result of substance abuse by their mothers, except that each
25 program may serve up to three medically fragile nonsubstance-abuse-
26 affected children. In selecting nonfacility-based programs, preference
27 shall be given to programs whose federal or private funding sources
28 have expired or that have successfully performed under the existing
29 pediatric interim care program.

30 (4) \$125,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$125,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for a foster parent retention
33 program. This program is directed at foster parents caring for
34 children who act out sexually.

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

1 (6) Within amounts provided for the foster care and adoption
2 support programs, the department shall control reimbursement decisions
3 for foster care and adoption support cases such that the aggregate
4 average cost per case for foster care and for adoption support does not
5 exceed the amounts assumed in the projected caseload expenditures. The
6 department shall adjust adoption support benefits to account for the
7 availability of the new federal adoption support tax credit for special
8 needs children. The department shall report annually by October 1st to
9 the appropriate committees of the legislature on the specific efforts
10 taken to contain costs.

11 (7) \$3,837,000 of the general fund--state appropriation for fiscal
12 year 2006, \$6,352,000 of the general fund--state appropriation for
13 fiscal year 2007, and \$4,370,000 of the general fund--federal
14 appropriation are provided solely for reforms to the child protective
15 services and child welfare services programs, including 30-day face-to-
16 face contact for children in out-of-home care, improved timeliness of
17 child protective services investigations, an enhanced in-home child
18 welfare services program, and education specialist services. The
19 department shall report by December 1st of each year on the
20 implementation status of the enhancements, including the hiring of new
21 staff, and the outcomes of the reform efforts. The information
22 provided shall include a progress report on items in the child and
23 family services review program improvement plan and areas identified
24 for improvement in the Braam lawsuit settlement.

25 (8) Within amounts appropriated in this section, priority shall be
26 given to proven intervention models, including evidence-based
27 prevention and early intervention programs identified by the Washington
28 institute for public policy and the department. The department shall
29 include information on the number, type, and outcomes of the evidence-
30 based programs being implemented in its reports on child welfare reform
31 efforts.

32 (9) \$177,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$178,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for the state association of
35 children's advocacy centers. Funds may be used for (a) children's
36 advocacy centers that meet the national children's alliance
37 accreditation standards for full membership, and are members in good

1 standing; (b) communities in the process of establishing a center; and
2 (c) the state association of children's advocacy centers. A 50 percent
3 match will be required of each center receiving state funding.

4 (10) \$50,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$50,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for a street youth program in
7 Spokane.

8 (11) \$4,672,000 of the general fund--state appropriation for fiscal
9 year 2006 and \$4,672,000 of the general fund--state appropriation for
10 fiscal year 2007 are provided solely for secure crisis residential
11 centers.

12 (12) \$572,000 of the general fund--state appropriation for fiscal
13 year 2006, \$572,000 of the general fund--state appropriation for fiscal
14 year 2007, and \$1,144,000 of the general fund--federal appropriation
15 are provided solely for section 305 of Senate Bill No. 5763 (mental
16 disorders treatment) for chemical dependency specialist services.

17 (13) \$3,500,000 of the general fund--state appropriation for fiscal
18 year 2007 and \$1,500,000 of the general fund--federal appropriation are
19 provided solely for Engrossed Senate Bill No. 5922 (child neglect). If
20 the bill is not enacted by June 30, 2005, these amounts shall lapse.

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

23	General Fund--State Appropriation (FY 2006)	\$78,552,000
24	General Fund--State Appropriation (FY 2007)	\$81,760,000
25	General Fund--Federal Appropriation	\$5,998,000
26	General Fund--Private/Local Appropriation	\$1,098,000
27	Violence Reduction and Drug Enforcement Account--State	
28	Appropriation	\$38,385,000
29	Juvenile Accountability Incentive Account--Federal	
30	Appropriation	\$5,621,000
31	TOTAL APPROPRIATION	\$211,414,000

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

34 (1) \$706,000 of the violence reduction and drug enforcement account
35 appropriation is provided solely for deposit in the county criminal
36 justice assistance account for costs to the criminal justice system
37 associated with the implementation of chapter 338, Laws of 1997

1 (juvenile code revisions). The amounts provided in this subsection are
2 intended to provide funding for county adult court costs associated
3 with the implementation of chapter 338, Laws of 1997 and shall be
4 distributed in accordance with RCW 82.14.310.

5 (2) \$6,156,000 of the violence reduction and drug enforcement
6 account appropriation is provided solely for the implementation of
7 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
8 provided in this subsection are intended to provide funding for county
9 impacts associated with the implementation of chapter 338, Laws of 1997
10 and shall be distributed to counties as prescribed in the current
11 consolidated juvenile services (CJS) formula.

12 (3) \$1,020,000 of the general fund--state appropriation for fiscal
13 year 2006, \$1,030,000 of the general fund--state appropriation for
14 fiscal year 2007, and \$5,345,000 of the violence reduction and drug
15 enforcement account appropriation are provided solely to implement
16 community juvenile accountability grants pursuant to chapter 338, Laws
17 of 1997 (juvenile code revisions). Funds provided in this subsection
18 may be used solely for community juvenile accountability grants,
19 administration of the grants, and evaluations of programs funded by the
20 grants.

21 (4) \$2,997,000 of the violence reduction and drug enforcement
22 account appropriation is provided solely to implement alcohol and
23 substance abuse treatment programs for locally committed offenders.
24 The juvenile rehabilitation administration shall award these moneys on
25 a competitive basis to counties that submitted a plan for the provision
26 of services approved by the division of alcohol and substance abuse.
27 The juvenile rehabilitation administration shall develop criteria for
28 evaluation of plans submitted and a timeline for awarding funding and
29 shall assist counties in creating and submitting plans for evaluation.

30 (5) For the purposes of a pilot project, the juvenile
31 rehabilitation administration shall provide a block grant, rather than
32 categorical funding, for consolidated juvenile services, community
33 juvenile accountability act grants, the chemically dependent
34 disposition alternative, and the special sex offender disposition
35 alternative to the Pierce county juvenile court. To evaluate the
36 effect of decategorizing funding for youth services, the juvenile court
37 shall do the following:

1 (a) Develop intermediate client outcomes according to the risk
2 assessment tool (RAT) currently used by juvenile courts and in
3 coordination with the juvenile rehabilitation administration;

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

7 (c) Track similar data as in (b) of this subsection with an
8 appropriate comparison group, selected in coordination with the
9 juvenile rehabilitation administration and the family policy council;

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

13 (e) Provide a process evaluation to the juvenile rehabilitation
14 administration and the family policy council by June 20, 2006, and a
15 concluding report by June 30, 2007. The court shall develop this
16 evaluation in consultation with the juvenile rehabilitation
17 administration, the family policy council, and the Washington state
18 institute for public policy.

19 (6) \$319,000 of the general fund--state appropriation for fiscal
20 year 2006 and \$678,000 of the general fund--state appropriation for
21 fiscal year 2007 are provided solely to establish a reinvesting in
22 youth pilot program. Participation shall be limited to three counties
23 or groups of counties, including one charter county with a population
24 of over eight hundred thousand residents and at least one county or
25 group of counties with a combined population of three hundred thousand
26 residents or less.

27 (a) Only the following intervention service models shall be funded
28 under the pilot program: (i) Functional family therapy; (ii)
29 multi-systemic therapy; and (iii) aggression replacement training.

30 (b) Subject to (c) of this subsection, payments to counties in the
31 pilot program shall be sixty-nine percent of the average service model
32 cost per youth times the number of youth engaged by the selected
33 service model. For the purposes of calculating the average service
34 model cost per engaged youth for a county, the following costs will be
35 included: Staff salaries, staff benefits, training, fees, quality
36 assurance, and local expenditures on administration.

37 (c) Distribution of moneys to the charter county with a population
38 of over eight hundred thousand residents shall be based upon the number

1 of youth that are engaged by the intervention service models, up to six
2 hundred thousand dollars for the biennium. The department may
3 distribute the remaining grant moneys to the other counties selected to
4 participate in the pilot program.

5 (d) The department shall provide recommendations to the legislature
6 by June 30, 2006, regarding a cost savings calculation methodology, a
7 funds distribution formula, and criteria for service model eligibility
8 for use if the reinvesting in youth program is continued in future
9 biennia.

10 (e) \$248,000 of the general fund--state appropriation for fiscal
11 year 2006 and \$496,000 of the general fund--state appropriation for
12 fiscal year 2007 are provided solely to reimburse counties for local
13 juvenile disposition alternatives implemented pursuant to House Bill
14 No. 2073 (juvenile sentencing) and Senate Bill No. 5719 (community
15 commitment). The juvenile rehabilitation administration, in
16 consultation with the juvenile court administrators, shall develop an
17 equitable distribution formula for the funding provided in this
18 subsection, and negotiate contracts that would avoid the cost of a
19 youth kept in the community costing more than serving the youth in a
20 juvenile rehabilitation institution and parole program on an average
21 daily population basis. The juvenile rehabilitation administration may
22 adjust the funding level provided in this subsection in the event that
23 utilization rates of the disposition alternatives are lower than the
24 level anticipated by the total appropriation to the juvenile
25 rehabilitation administration in this section. The juvenile
26 rehabilitation administration shall report to the appropriate policy
27 and fiscal committees of the legislature on the use of the disposition
28 alternatives and revocations by December 1, 2006. If either bill is
29 not enacted by June 30, 2005, the amounts provided in this subsection
30 shall lapse.

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

33 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

34	General Fund--State Appropriation (FY 2006)	\$261,430,000
35	General Fund--State Appropriation (FY 2007)	\$269,285,000
36	General Fund--Federal Appropriation	\$336,771,000
37	General Fund--Private/Local Appropriation	\$1,970,000

1 TOTAL APPROPRIATION \$869,456,000

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

4 (a) In fiscal year 2006 the department shall continue and in fiscal
5 year 2007 it shall complete the phased-in implementation of the revised
6 medicaid allocation formula under which each regional support network
7 is paid the same standard capitation rate per medicaid eligible person,
8 adjusted by age and disability status.

9 (b) \$103,400,000 of the general fund--state appropriation for
10 fiscal year 2006 and \$103,400,000 of the general fund--state
11 appropriation for fiscal year 2007 are provided solely for persons and
12 services not covered by the medicaid program. The department shall
13 distribute these amounts among the regional support networks according
14 to a formula that, consistent with RCW 71.24.035(13), assures
15 continuation of fiscal year 2003 levels of nonmedicaid service in each
16 regional support network area for the following service categories in
17 the following priority order: (i) Crisis and commitment services; (ii)
18 community inpatient services; and (iii) residential care services,
19 including personal care and emergency housing assistance. The
20 remaining amounts shall be distributed based upon a formula that
21 incorporates each regional support network's percentage of the state's
22 population. In consultation with regional support networks and other
23 interested groups, the department shall report to the joint legislative
24 and executive task force by September 2006 on options for modifying the
25 allocation formula to assure equitable statewide access to essential
26 nonmedicaid services.

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

33 (d) Within amounts appropriated in this subsection, the department
34 shall contract with the Clark county regional support network for
35 development and operation of a project demonstrating collaborative
36 methods for providing intensive mental health services in the school
37 setting for severely emotionally disturbed children who are medicaid
38 eligible. Project services shall be delivered by teachers and teaching

1 assistants who qualify as, or who are under the supervision of, mental
2 health professionals meeting the requirements of chapter 275-57 WAC.
3 The department shall increase medicaid payments to the regional support
4 network by the amount necessary to cover the necessary and allowable
5 costs of the demonstration, not to exceed the upper payment limit
6 specified for the regional support network in the department's medicaid
7 waiver agreement with the federal government after meeting all other
8 medicaid spending requirements assumed in this subsection. The
9 regional support network shall provide the required nonfederal share of
10 the increased medicaid payment provided for operation of this project.

11 (e) \$3,100,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$3,375,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely to establish a base community
14 psychiatric hospitalization payment rate. The base payment rate shall
15 be \$400 per indigent patient day at hospitals that accept commitments
16 under the involuntary treatment act, and \$550 per medicaid patient day
17 at free-standing psychiatric hospitals that accept commitments under
18 the involuntary treatment act. The department shall allocate these
19 funds among the regional support networks to reflect projected
20 expenditures at the enhanced payment level by hospital and region.

21 (f) At least \$902,000 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 (g) \$2,146,000 of the general fund--state appropriation for fiscal
25 year 2006, \$4,408,000 of the general fund--state appropriation for
26 fiscal year 2007, and \$4,559,000 of the general fund--federal
27 appropriation are provided solely for a vendor rate increase to
28 regional support networks for medicaid and nonmedicaid services, to the
29 extent that: Amounts provided in this subsection (1) to serve medicaid
30 clients through regional support networks are sufficient to ensure
31 compliance with federally approved actuarially sound medicaid rate
32 ranges in every rate category. If such amounts are not sufficient to
33 ensure compliance, funds provided in this subsection (1)(g) shall first
34 be applied to address any noncompliant rate category; remaining amounts
35 shall be allocated among the regional support networks by applying a
36 uniform percentage of increase across regional support networks.

37 (h) \$5,000,000 of the general fund--state appropriation for fiscal
38 year 2006 and \$5,000,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely for mental health services for
2 mentally ill offenders while confined in a county or city jail and for
3 facilitating access to programs that offer mental health services upon
4 mentally ill offenders' release from confinement. These amounts shall
5 supplement, and not supplant, local or other funding or in-kind
6 resources currently being used for these purposes. The department is
7 authorized to transfer such amounts as are necessary, which are not to
8 exceed \$418,000 of the general fund--state appropriation for fiscal
9 year 2006 and \$418,000 of the general fund--state appropriation for
10 fiscal year 2007, to the economic services program for the purposes of
11 implementing section 12 of Engrossed Second Substitute House Bill No.
12 1290 (community mental health) related to reinstating and facilitating
13 access to mental health services upon mentally ill offenders' release
14 from confinement.

15 (i) \$1,500,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$1,500,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for grants for innovative mental
18 health service delivery projects. Such projects may include, but are
19 not limited to, clubhouse programs and projects for integrated health
20 care and behavioral health services for general assistance recipients.
21 These amounts shall supplement, and not supplant, local or other
22 funding currently being used for activities funded under the projects
23 authorized in this subsection.

24 (j) The department is authorized to continue to expend federal
25 block grant funds, and special purpose federal grants, through direct
26 contracts, rather than through contracts with regional support
27 networks; and to distribute such funds through a formula other than the
28 one established pursuant to RCW 71.24.035(13).

29 (k) The department is authorized to continue to contract directly,
30 rather than through contracts with regional support networks, for
31 children's long-term inpatient facility services.

32 (l) \$2,250,000 of the general fund--state appropriation for fiscal
33 year 2006, \$2,250,000 of the general fund--state appropriation for
34 fiscal year 2007, and \$4,500,000 of the general fund--federal
35 appropriation are provided solely for the continued operation of
36 community residential and support services for persons who are older
37 adults or who have co-occurring medical and behavioral disorders and
38 who have been discharged or diverted from a state psychiatric hospital.

1 These funds shall be used to serve individuals whose treatment needs
2 constitute substantial barriers to community placement, who no longer
3 require active psychiatric treatment at an inpatient hospital level of
4 care, and who no longer meet the criteria for inpatient involuntary
5 commitment. Coordination of these services will be done in partnership
6 between the mental health program and the aging and disability services
7 administration. The funds are not subject to the standard allocation
8 formula applied in accordance with RCW 71.24.035(13)(a).

9 (m) \$750,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$750,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided to continue performance-based incentive
12 contracts to provide appropriate community support services for
13 individuals with severe mental illness who have been discharged from
14 the state hospitals. These funds will be used to enhance community
15 residential and support services provided by regional support networks
16 through other state and federal funding.

17 (n) \$539,000 of the general fund--state appropriation for fiscal
18 year 2007 is provided solely to assist with the one-time start-up costs
19 of two evaluation and treatment facilities. Funding for ongoing
20 program operations shall be from existing funds that would otherwise be
21 expended upon short-term treatment in state or community hospitals.

22 (o) \$550,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$150,000 of the general fund--state appropriation for
24 fiscal year 2007 are provided solely for a pilot project that provides
25 integrated care through a facility specializing in long-term
26 rehabilitation services for people with chronic mental illness who are
27 chronically medically-compromised. This project is to be implemented
28 in coordination with and under the auspices of a regional support
29 network.

30 (p) Sufficient funds are appropriated in this section to implement
31 the integrated chemical dependency/mental health screening and
32 assessment provisions of section 601 of Senate Bill No. 5763.

33 (2) INSTITUTIONAL SERVICES

34	General Fund--State Appropriation (FY 2006)	\$104,749,000
35	General Fund--State Appropriation (FY 2007)	\$110,534,000
36	General Fund--Federal Appropriation	\$150,115,000
37	General Fund--Private/Local Appropriation	\$29,632,000
38	TOTAL APPROPRIATION	\$395,030,000

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

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

6 (b) \$3,725,000 of the general fund--state appropriation for fiscal
7 year 2006 and \$3,675,000 of the general fund--state appropriation for
8 fiscal year 2007 are provided solely to operate at least one more
9 forensic ward at western state hospital than was operational in
10 December 2004, and to employ professional staff in addition to those
11 assigned in December 2004 to conduct outpatient evaluations of
12 competency to stand trial.

13 (c) \$45,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$45,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for payment to the city of
16 Lakewood on September 1 of each year for police services provided by
17 the city at western state hospital and adjacent areas.

18 (3) CIVIL COMMITMENT

19	General Fund--State Appropriation (FY 2006)	\$43,322,000
20	General Fund--State Appropriation (FY 2007)	\$46,551,000
21	TOTAL APPROPRIATION	\$89,873,000

22 (4) SPECIAL PROJECTS

23	General Fund--State Appropriation (FY 2006)	\$643,000
24	General Fund--State Appropriation (FY 2007)	\$994,000
25	General Fund--Federal Appropriation	\$3,209,000
26	TOTAL APPROPRIATION	\$4,846,000

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

29 (a) \$75,000 of the general fund--state appropriation for fiscal
30 year 2006, \$75,000 of the general fund--state appropriation for fiscal
31 year 2007, and \$40,000 of the general fund--federal appropriation are
32 provided solely to implement the request for proposal process required
33 by House Bill No. 1290 (community mental health). If House Bill No.
34 1290 is not enacted by June 30, 2005, these amounts shall lapse.

35 (b) \$178,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$221,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely to develop and to train community

1 mental health staff in the use of the integrated chemical
2 dependency/mental health screening and assessment system and tool
3 required by section 601 of Senate Bill No. 5763 (mental disorders
4 treatment). If section 601 of Senate Bill No. 5763 is not enacted by
5 June 30, 2005, these amounts shall lapse.

6 (5) PROGRAM SUPPORT

7	General Fund--State Appropriation (FY 2006)	\$3,620,000
8	General Fund--State Appropriation (FY 2007)	\$3,550,000
9	General Fund--Federal Appropriation	\$6,671,000
10	TOTAL APPROPRIATION	\$13,841,000

11 The appropriations in this subsection are subject to the following
12 conditions and limitations: \$125,000 of the general fund--state
13 appropriation for fiscal year 2006, \$125,000 of the general fund--state
14 appropriation for fiscal year 2007, and \$164,000 of the general fund--
15 federal appropriation are provided solely for the institute for public
16 policy to continue the longitudinal analysis directed in chapter 334,
17 Laws of 2001 (mental health performance audit), and, to the extent
18 funds are available within these amounts, to build upon the evaluation
19 of the impacts of chapter 214, Laws of 1999 (mentally ill offenders).

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

22 (1) COMMUNITY SERVICES

23	General Fund--State Appropriation (FY 2006)	\$299,027,000
24	General Fund--State Appropriation (FY 2007)	\$311,869,000
25	General Fund--Federal Appropriation	\$505,414,000
26	Health Services Account--State Appropriation	\$904,000
27	TOTAL APPROPRIATION	\$1,117,214,000

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

30 (a) The entire health services account appropriation, \$213,000 of
31 the general fund--state appropriation for fiscal year 2006, \$400,000 of
32 the general fund--state appropriation for fiscal year 2007, and
33 \$600,000 of the general fund--federal appropriation are provided solely
34 for health care benefits for agency home care workers who are employed
35 through state contracts for at least twenty hours a week. The per

1 worker per month state contribution per agency to the cost of health
2 care benefits shall be no greater than \$380.06 in fiscal year 2006 and
3 \$413.14 in fiscal year 2007.

4 (b) Individuals receiving family support or high school transition
5 payments as supplemental security income (SSI) state supplemental
6 payments shall not become eligible for medical assistance under RCW
7 74.09.510 due solely to the receipt of SSI state supplemental payments.

8 (c) \$516,000 of the general fund--state appropriation for fiscal
9 year 2006, \$1,563,000 of the general fund--state appropriation for
10 fiscal year 2007, and \$2,078,000 of the general fund--federal
11 appropriation are provided solely for community residential and support
12 services. Funding in this subsection shall be prioritized for (i)
13 residents of residential habilitation centers who are able to be
14 adequately cared for in community settings and who choose to live in
15 those community settings; (ii) clients without residential services who
16 are at immediate risk of institutionalization or in crisis; (iii)
17 children who are aging out of other state services; and (iv) current
18 home and community-based waiver program clients who have been assessed
19 as having an immediate need for increased services. The department
20 shall ensure that the average cost per day for all program services
21 other than start-up costs shall not exceed \$300. In order to maximize
22 the number of clients served and ensure the cost-effectiveness of the
23 waiver programs, the department will strive to limit new client
24 placement expenditures to 90 percent of the budgeted daily rate. If
25 this can be accomplished, additional clients may be served with excess
26 funds provided the total projected carry-forward expenditures do not
27 exceed the amounts estimated. The department shall electronically
28 report to the appropriate committees of the legislature, within 45 days
29 following each fiscal year quarter, the number of persons served with
30 these additional community services, where they were residing, what
31 kinds of services they were receiving prior to placement, and the
32 actual expenditures for all community services to support these
33 clients.

34 (d) \$579,000 of the general fund--state appropriation for fiscal
35 year 2006, \$1,531,000 of the general fund--state appropriation for
36 fiscal year 2007, and \$2,110,000 of the general fund--federal
37 appropriation are provided solely for expanded community services for
38 persons with developmental disabilities who also have community

1 protection issues. Funding in this subsection shall be prioritized for
2 (i) clients being diverted or discharged from the state psychiatric
3 hospitals; (ii) clients participating in the dangerous mentally ill
4 offender program; (iii) clients participating in the community
5 protection program; and (iv) mental health crisis diversion
6 outplacements. The department shall ensure that the average cost per
7 day for all program services other than start-up costs shall not exceed
8 \$300. In order to maximize the number of clients served and ensure the
9 cost-effectiveness of the waiver programs, the department will strive
10 to limit new client placement expenditures to 90 percent of the
11 budgeted daily rate. If this can be accomplished, additional clients
12 may be served with excess funds if the total projected carry-forward
13 expenditures do not exceed the amounts estimated. The department shall
14 implement the four new waiver programs such that decisions about
15 enrollment levels and the amount, duration, and scope of services
16 maintain expenditures within appropriations. The department shall
17 electronically report to the appropriate committees of the legislature,
18 within 45 days following each fiscal year quarter, the number of
19 persons served with these additional community services, where they
20 were residing, what kinds of services they were receiving prior to
21 placement, and the actual expenditures for all community services to
22 support these clients.

23 (e) \$900,000 of the general fund--state appropriation for fiscal
24 year 2006 and \$1,600,000 of the general fund--state appropriation for
25 fiscal year 2007 are provided solely for the implementation of a
26 flexible family support pilot program for families who are providing
27 care and support for family members with developmental disabilities.
28 The program shall provide funding for support services such as respite
29 care, training and counseling, assistive technologies, transition
30 services, and assistance with extraordinary household expenses.

31 (i) To receive funding, an individual must: (A) Be eligible for
32 services from the division of developmental disabilities; (B) live with
33 his or her family; (C) not live independently or with a spouse; (D) not
34 receive paid services through the division, including medicaid personal
35 care and medicaid waiver services; and (E) have gross household income
36 of less than or equal to four hundred percent of the federal poverty
37 level.

1 (ii) The department shall determine individual funding awards based
2 on the following criteria: (A) Documented need for services, with
3 priority given to individuals in crisis or at immediate risk of needing
4 institutional services, individuals who transition from high school
5 without employment or day program opportunities, individuals cared for
6 by a single parent, and individuals with multiple disabilities; (B)
7 number and ages of family members and their relation to the individual
8 with developmental disabilities; (C) gross annual household income; and
9 (D) availability of state funds.

10 Funding awards may be made as one-time awards or on a renewable
11 basis. Renewable awards shall be for a period of twelve months for the
12 biennium. Awards shall be based upon the criteria provided in this
13 subsection, but shall be within the following limits: Maximum of
14 \$4,000 per year for an individual whose gross annual household income
15 is up to 100 percent of the federal poverty level; maximum of \$3,000
16 per year for an individual whose gross annual household income is up to
17 200 percent of the federal poverty level; maximum of \$2,000 per year
18 for an individual whose gross annual household income is up to 300
19 percent of the federal poverty level; and maximum of \$1,000 per year
20 for an individual whose gross annual household income is up to 400
21 percent of the federal poverty level. Of the amounts provided in this
22 subsection, \$150,000 of the general fund--state appropriation for
23 fiscal year 2006 and \$300,000 of the general fund--state appropriation
24 for fiscal year 2007 are provided solely for one-time awards.

25 (iii) Eligibility for, and the amount of, renewable awards and one-
26 time awards shall be redetermined annually and shall correspond with
27 the application of the department's mini-assessment tool. At the end
28 of each award period, the department must redetermine eligibility for
29 funding, including increases or reductions in the level of funding, as
30 appropriate.

31 (iv) By November 1, 2006, the department shall provide
32 recommendations to the appropriate policy and fiscal committees of the
33 legislature on strategies for integrating state-funded family support
34 programs, including, if appropriate, the flexible family support pilot
35 program, into a single program. The department shall also provide a
36 status report on the flexible family support pilot program, which shall
37 include the following information: The number of applicants for

1 funding; the total number of awards; the number and amount of both
2 annual and one-time awards, broken down by household income levels; and
3 the purpose of the awards.

4 (v) The department shall manage enrollment and award levels so as
5 to not exceed the amounts appropriated for this purpose.

6 (f) \$840,000 of the general fund--state appropriation for fiscal
7 year 2006, \$1,979,000 of the general fund--state appropriation for
8 fiscal year 2007, and \$1,219,000 of the general fund--federal
9 appropriation are provided solely for employment and day services.
10 Priority consideration for this new funding shall be young adults with
11 developmental disabilities living with their family who need employment
12 opportunities and assistance after high school graduation. Services
13 shall be provided for both waiver and nonwaiver clients.

14 (g) \$1,000,000 of the general fund--state appropriation for fiscal
15 year 2006, \$1,000,000 of the general fund--state appropriation for
16 fiscal year 2007, and \$2,000,000 of the general fund--federal
17 appropriation are provided for implementation of the administrative
18 rate standardization. These amounts are in addition to any vendor rate
19 increase adopted by the legislature.

20 (h) \$100,000 of the general fund--state appropriation for fiscal
21 year 2006 is provided solely for services to community clients provided
22 by licensed professionals at the state residential habilitation
23 centers. The division shall submit claims for reimbursement for
24 services provided to clients living in the community with medical
25 assistance or third-party health coverage, as appropriate, and shall
26 implement a system for billing clients without coverage. The
27 department shall provide a report by December 1, 2006, to the
28 appropriate committees of the legislature on the number of clients
29 served, services provided, and expenditures and revenues associated
30 with those services.

31 (i) \$65,000 of the general fund--state appropriation for fiscal
32 year 2006, \$65,000 of the general fund--state appropriation for fiscal
33 year 2007, and \$130,000 of the general fund--federal appropriation are
34 provided solely for supplemental compensation increases for direct care
35 workers employed by home care agencies in recognition of higher labor
36 market cost pressures experienced by agencies subject to collective
37 bargaining obligations. In order for a specific home care agency to be

1 eligible for such increases, home care agencies shall submit the
2 following to the department:

3 (i) Proof of a legally binding, written commitment to increase the
4 compensation of agency home care workers; and

5 (ii) Proof of the existence of a method of enforcement of the
6 commitment, such as arbitration, that is available to the employees or
7 their representative, and proof that such a method is expeditious, uses
8 a neutral decision maker, and is economical for the employees.

9 (2) INSTITUTIONAL SERVICES

10	General Fund--State Appropriation (FY 2006)	\$76,062,000
11	General Fund--State Appropriation (FY 2007)	\$78,545,000
12	General Fund--Federal Appropriation	\$152,479,000
13	General Fund--Private/Local Appropriation	\$12,000,000
14	TOTAL APPROPRIATION	\$319,086,000

15 The appropriations in this subsection are subject to the following
16 conditions and limitations: The developmental disabilities program is
17 authorized to use funds appropriated in this section to purchase goods
18 and supplies through direct contracting with vendors when the program
19 determines it is cost-effective to do so.

20 (3) PROGRAM SUPPORT

21	General Fund--State Appropriation (FY 2006)	\$2,457,000
22	General Fund--State Appropriation (FY 2007)	\$2,068,000
23	General Fund--Federal Appropriation	\$3,034,000
24	TOTAL APPROPRIATION	\$7,559,000

25 The appropriations in this subsection are subject to the following
26 conditions and limitations: \$578,000 of the general fund--state
27 appropriation for fiscal year 2006 and \$578,000 of the general fund--
28 federal appropriation are provided solely for the purpose of developing
29 and implementing a consistent needs assessment instrument for use on
30 all clients with developmental disabilities. In developing the
31 instrument, the department shall develop a process for collecting data
32 on family income for minor children with developmental disabilities and
33 all individuals who are receiving state-only funded services. The
34 department shall ensure that this information is captured as part of
35 the client assessment process.

36 (4) SPECIAL PROJECTS

37	General Fund--State Appropriation (FY 2006)	\$11,000
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1	General Fund--State Appropriation (FY 2007)	\$17,000
2	General Fund--Federal Appropriation	\$16,668,000
3	TOTAL APPROPRIATION	\$16,696,000

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

6	General Fund--State Appropriation (FY 2006)	\$604,891,000
7	General Fund--State Appropriation (FY 2007)	\$623,448,000
8	General Fund--Federal Appropriation	\$1,264,939,000
9	General Fund--Private/Local Appropriation	\$18,939,000
10	Health Services Account--State Appropriation	\$4,888,000
11	TOTAL APPROPRIATION	\$2,517,105,000

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

14 (1) The entire health services account appropriation, \$610,000 of
15 the general fund--state appropriation for fiscal year 2006, \$610,000 of
16 the general fund--state appropriation for fiscal year 2007, and
17 \$5,552,000 of the general fund--federal appropriation are provided
18 solely for health care benefits for agency home care workers who are
19 employed through state contracts for at least twenty hours a week. The
20 per worker per month state contribution per agency to the cost of
21 health care benefits shall be no greater than \$380.06 in fiscal year
22 2006 and \$413.14 in fiscal year 2007.

23 (2) For purposes of implementing chapter 74.46 RCW, the weighted
24 average nursing facility payment rate shall not exceed \$149.14 for
25 fiscal year 2006 and shall not exceed \$153.50 for fiscal year 2007.

26 (3) In accordance with chapter 74.46 RCW, the department shall
27 issue certificates of capital authorization that result in up to \$16
28 million of increased asset value completed and ready for occupancy in
29 fiscal year 2006; up to \$16 million of increased asset value completed
30 and ready for occupancy in fiscal year 2007; and up to \$16 million of
31 increased asset value completed and ready for occupancy in fiscal year
32 2008.

33 (4) 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 (5) In accordance with chapter 74.39 RCW, the department may

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

4 (a) One waiver program shall include coverage of care in community
5 residential facilities. Enrollment in the waiver shall not exceed 600
6 persons at any time.

7 (b) The second waiver program shall include coverage of in-home
8 care. Enrollment in this second waiver shall not exceed 200 persons at
9 any time.

10 (c) The department shall identify the number of medically needy
11 nursing home residents, and enrollment and expenditures on each of the
12 two medically needy waivers, on monthly management reports.

13 (d) If it is necessary to establish a waiting list for either
14 waiver because the budgeted number of enrollment opportunities has been
15 reached, the department shall track how the long-term care needs of
16 applicants assigned to the waiting list are met.

17 (6) \$1,413,000 of the general fund--state appropriation for fiscal
18 year 2006, \$2,887,000 of the general fund--state appropriation for
19 fiscal year 2007, and \$4,305,000 of the general fund--federal
20 appropriation are provided solely to increase compensation for direct
21 care workers employed by home care agencies by 27 cents per hour on
22 July 1, 2005, and by an additional 23 cents per hour on July 1, 2006.
23 The amounts in this subsection also include the funds needed for the
24 employer share of unemployment and social security taxes on the amount
25 of the increase.

26 (7) \$1,786,000 of the general fund--state appropriation for fiscal
27 year 2006 and \$1,804,000 of the general fund--state appropriation for
28 fiscal year 2007 are provided solely for operation of the volunteer
29 chore services program.

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

36 (9) \$93,000 of the general fund--state appropriation for fiscal
37 year 2006, \$8,000 of the general fund--state appropriation for fiscal
38 year 2007, and \$101,000 of the general fund--federal appropriation are

1 provided solely to expand the number of boarding homes that receive
2 exceptional care rates for persons with Alzheimer's disease and related
3 dementias who might otherwise require nursing home care. The
4 department may expand the number of licensed boarding home facilities
5 that specialize in caring for such conditions by up to 85 beds in
6 fiscal year 2006 and up to 150 beds in fiscal year 2007.

7 (10) \$305,000 of the general fund--state appropriation for fiscal
8 year 2006 and \$377,000 of the general fund--state appropriation for
9 fiscal year 2007 are provided solely for the senior farmer's market
10 nutrition program.

11 (11) Within amounts appropriated in this section, the department
12 shall develop and implement a pilot program that authorizes assisted
13 living facilities to offer dual-occupancy accommodations to publicly-
14 funded residents who would otherwise be placed in a skilled nursing
15 facility or adult family home. The pilot shall include contracted
16 assisted living facilities that are ineligible to receive capital add-
17 on payments and whose Medicaid occupancy rates exceeded 50 percent as
18 of December 31, 2004.

19 (12) \$109,000 of the general fund--state appropriation for fiscal
20 year 2006, \$90,000 of the general fund--state appropriation for fiscal
21 year 2007, and \$198,000 of the general fund--federal appropriation are
22 provided solely for the implementation of Second Substitute House Bill
23 No. 1220 (long-term care financing). If the bill is not enacted by
24 June 30, 2005, the amounts provided in this subsection shall lapse.

25 (13) \$100,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$100,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely for area agencies on aging, or
28 entities with which area agencies on aging contract, to provide a
29 kinship navigator for grandparents and other kinship caregivers of
30 children in both western and eastern Washington.

31 (a) Kinship navigator services shall include but not be limited to
32 assisting kinship caregivers with understanding and navigating the
33 system of services for children in out-of-home care while reducing
34 barriers faced by kinship caregivers when accessing services.

35 (b) In providing kinship navigator services, area agencies on aging
36 shall give priority to helping kinship caregivers maintain their
37 caregiving role by helping them access existing services and supports,
38 thus keeping children from entering foster care.

1 (14) \$435,000 of the general fund--state appropriation for fiscal
2 year 2006, \$435,000 of the general fund--state appropriation for fiscal
3 year 2007, and \$870,000 of the general fund--federal appropriation are
4 provided solely for supplemental compensation increases for direct care
5 workers employed by home care agencies in recognition of higher labor
6 market cost pressures experienced by agencies subject to collective
7 bargaining obligations. In order for a specific home care agency to be
8 eligible for such increases, home care agencies shall submit the
9 following to the department:

10 (i) Proof of a legally binding, written commitment to increase the
11 compensation of agency home care workers; and

12 (ii) Proof of the existence of a method of enforcement of the
13 commitment, such as arbitration, that is available to the employees or
14 their representative, and proof that such a method is expeditious, uses
15 a neutral decision maker, and is economical for the employees.

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

18	General Fund--State Appropriation (FY 2006)	\$483,166,000
19	General Fund--State Appropriation (FY 2007)	\$501,081,000
20	General Fund--Federal Appropriation	\$1,246,447,000
21	General Fund--Private/Local Appropriation	\$31,466,000
22	TOTAL APPROPRIATION	\$2,262,160,000

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

25 (1) \$273,333,000 of the general fund--state appropriation for
26 fiscal year 2006, \$273,333,000 of the general fund--state appropriation
27 for fiscal year 2007, and \$1,020,292,000 of the general fund--federal
28 appropriation are provided solely for all components of the WorkFirst
29 program. Within the amounts provided for the WorkFirst program, the
30 department shall:

31 (a) Continue to implement WorkFirst program improvements that are
32 designed to achieve progress against outcome measures specified in RCW
33 74.08A.410. Outcome data regarding job retention and wage progression
34 shall be reported quarterly to appropriate fiscal and policy committees
35 of the legislature for families who leave assistance, measured after 12
36 months, 24 months, and 36 months. The department shall also report the

1 percentage of families who have returned to temporary assistance for
2 needy families after 12 months, 24 months, and 36 months; and

3 (b) Submit a report by October 1, 2005, to the fiscal committees of
4 the legislature containing a spending plan for the WorkFirst program.
5 The plan shall identify how spending levels in the 2005-2007 biennium
6 will be adjusted to stay within available federal grant levels and the
7 appropriated state-fund levels.

8 (2) \$75,833,000 of the general fund--state appropriation for fiscal
9 year 2006 and \$74,358,000 of the general fund--state appropriation for
10 fiscal year 2007 are provided solely for cash assistance and other
11 services to recipients in the general assistance--unemployable program.
12 Within these amounts:

13 (a) The department may expend funds for services that assist
14 recipients to obtain employment and reduce their dependence on public
15 assistance, provided that expenditures for these services and cash
16 assistance do not exceed the funds provided. Mental health, substance
17 abuse, and vocational rehabilitation services may be provided to
18 recipients whose incapacity is not severe enough to qualify for
19 services through a regional support network, the alcoholism and drug
20 addiction treatment and support act, or the division of vocational
21 rehabilitation to the extent that those services are necessary to
22 eliminate or minimize barriers to employment;

23 (b) The department shall review the general assistance caseload to
24 identify recipients that would benefit from assistance in becoming
25 naturalized citizens, and thus be eligible to receive federal
26 supplemental security income benefits. Those cases shall be given high
27 priority for naturalization funding through the department;

28 (c) The department shall identify general assistance recipients who
29 are or may be eligible to receive health care coverage or services
30 through the federal veteran's administration and assist recipients in
31 obtaining access to those benefits; and

32 (d) The department shall report by November of each year to the
33 appropriate committees of the legislature on the progress and outcomes
34 of these efforts.

35 (3) Within amounts appropriated in this section, the department
36 shall increase the state supplemental payment by \$10 per month for SSI
37 clients who reside in nursing facilities, residential habilitation

1 centers, or state hospitals and who receive a personal needs allowance
2 and decrease other state supplemental payments.

3 (4) \$5,000,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$10,000,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for a subsidy rate increase for
6 child care providers. Of this amount, \$500,000 per year shall be
7 targeted for child care providers in urban areas of region 1 and
8 \$500,000 per year shall be targeted for one or more tiered-
9 reimbursement pilot projects.

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

12	General Fund--State Appropriation (FY 2006)	\$57,235,000
13	General Fund--State Appropriation (FY 2007)	\$66,956,000
14	General Fund--Federal Appropriation	\$110,175,000
15	General Fund--Private/Local Appropriation	\$633,000
16	Criminal Justice Treatment Account--State Appropriation .	\$16,500,000
17	Violence Reduction and Drug Enforcement Account--State	
18	Appropriation	\$48,842,000
19	Problem Gambling Treatment Account--State Appropriation . .	\$1,500,000
20	Public Safety and Education Account--State	
21	Appropriation	\$2,081,000
22	TOTAL APPROPRIATION	\$303,922,000

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

25 (1) \$1,500,000 of the problem gambling treatment account
26 appropriation is provided solely for the program established in
27 Engrossed Substitute House Bill No. 1031 (problem gambling). If
28 legislation creating the account is not enacted by June 30, 2005, this
29 amount shall lapse.

30 (2) \$1,339,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$1,338,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the parent child assistance
33 program, including an expansion of services to southwestern Washington.
34 The department shall contract with the University of Washington and
35 community-based providers in Spokane, Yakima, and southwestern
36 Washington for the provision of this program. For all contractors,
37 indirect charges for administering the program shall not exceed ten

1 percent of the total contract amount. The amounts provided in this
2 subsection are sufficient to fund section 303 of Senate Bill No. 5763
3 (mental disorders treatment).

4 (3) \$2,000,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$3,000,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for vendor rate adjustments for
7 residential treatment providers for chemical dependency services.

8 (4) \$465,000 of the general fund--state appropriation for fiscal
9 year 2006, \$934,000 of the general fund--state appropriation for fiscal
10 year 2007, \$1,319,000 of the general fund--federal appropriation, and
11 \$700,000 of the violence reduction and drug enforcement account
12 appropriation are provided solely for vendor rate adjustments for
13 residential treatment providers. To the extent that a portion of this
14 funding is sufficient to maintain sufficient residential treatment
15 capacity, remaining amounts may then be used to provide vendor rate
16 adjustments to other types of providers as prioritized by the
17 department in order to maintain or increase treatment capacity.

18 (5) \$1,916,000 of the general fund--state appropriation for fiscal
19 year 2006 and \$4,278,000 of the general fund--state appropriation for
20 fiscal year 2007 are provided solely for integrated pilot programs as
21 required by section 203 of Senate Bill No. 5763 (mental disorders
22 treatment). If section 203 of Senate Bill No. 5763 is not enacted by
23 June 30, 2005, the amounts provided in this subsection shall lapse.

24 (6) \$244,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$244,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely for intensive case management
27 pilot programs as required by section 220 of Senate Bill No. 5763
28 (mental disorders treatment). If section 220 of Senate Bill No. 5763
29 is not enacted by June 30, 2005, the amounts provided in this
30 subsection shall lapse.

31 (7) \$159,000 of the general fund--state appropriation for fiscal
32 year 2006, \$140,000 of the general fund--state appropriation for fiscal
33 year 2007, and \$161,000 of the general fund--federal appropriation are
34 provided solely for development of the integrated chemical
35 dependency/mental health screening and assessment tool required by
36 section 601 of Senate Bill No. 5763 (mental disorders treatment), and
37 associated training and quality assurance. If section 601 of Senate

1 Bill No. 5763 is not enacted by June 30, 2005, the amounts provided in
2 this subsection shall lapse.

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

5	General Fund--State Appropriation (FY 2006)	\$1,481,212,000
6	General Fund--State Appropriation (FY 2007)	\$1,596,101,000
7	General Fund--Federal Appropriation	\$4,036,615,000
8	General Fund--Private/Local Appropriation	\$2,000,000
9	Emergency Medical Services and Trauma Care Systems	
10	Trust Account--State Appropriation	\$15,000,000
11	Health Services Account--State Appropriation	\$636,942,000
12	TOTAL APPROPRIATION	\$7,767,870,000

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

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

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

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

28 (4) Sufficient amounts are appropriated in this section for the
29 department to continue podiatry services for medicaid-eligible adults.

30 (5) Sufficient amounts are appropriated in this section for the
31 department to provide an adult dental benefit that is equivalent to the
32 benefit provided in the 2003-05 biennium.

33 (6) In accordance with RCW 74.46.625, \$6,000,000 of the general
34 fund--federal appropriation is provided solely for supplemental
35 payments to nursing homes operated by public hospital districts. The
36 public hospital district shall be responsible for providing the
37 required nonfederal match for the supplemental payment, and the

1 payments shall not exceed the maximum allowable under federal rules.
2 It is the legislature's intent that the payments shall be supplemental
3 to and shall not in any way offset or reduce the payments calculated
4 and provided in accordance with part E of chapter 74.46 RCW. It is the
5 legislature's further intent that costs otherwise allowable for rate-
6 setting and settlement against payments under chapter 74.46 RCW shall
7 not be disallowed solely because such costs have been paid by revenues
8 retained by the nursing home from these supplemental payments.

9 (7) \$1,660,000 of the health services account appropriation,
10 \$4,361,000 of the general fund--federal appropriation, \$1,350,000 of
11 the general fund--state appropriation for fiscal year 2006, and
12 \$1,351,000 of the general fund--state appropriation for fiscal year
13 2007 are provided solely for grants to rural hospitals. The department
14 shall distribute the funds under a formula that provides a relatively
15 larger share of the available funding to hospitals that (a) serve a
16 disproportionate share of low-income and medically indigent patients
17 and (b) have relatively smaller net financial margins, to the extent
18 allowed by the federal medicaid program.

19 (8) \$22,081,000 of the health services account appropriation and
20 \$20,714,000 of the general fund--federal appropriation are provided
21 solely for grants to nonrural hospitals. The department shall
22 distribute the funds under a formula that provides a relatively larger
23 share of the available funding to hospitals that (a) serve a
24 disproportionate share of low-income and medically indigent patients
25 and (b) have relatively smaller net financial margins, to the extent
26 allowed by the federal medicaid program.

27 (9) In response to the federal directive to eliminate
28 intergovernmental transfer transactions effective June 30, 2005, the
29 department is directed to implement the inpatient hospital certified
30 public expenditures program for the 2005-07 biennium. The program
31 shall apply to all public hospitals, including those owned or operated
32 by the state, except those classified as critical access hospitals or
33 state psychiatric institutions. Hospitals in the program shall be paid
34 and shall retain (a) one hundred percent of the federal portion of each
35 medicaid inpatient fee-for-service claim payable by the medical
36 assistance administration; and (b) one hundred percent of the federal
37 portion of the maximum disproportionate share hospital payment
38 allowable under federal regulations. Medicaid fee-for-service claim

1 amounts shall be established by applying the department's ratio of
2 costs to charges payment methodology. The department shall provide
3 participating hospitals with the information and instructions needed by
4 the hospital to certify the public expenditures required to qualify for
5 the federal portions of both the medicaid inpatient fee-for-service
6 payments and the disproportionate share hospital payments. In the
7 event that any part of the program including, but not limited to,
8 allowable certified public expenditures, is disallowed by the federal
9 government, the department shall not seek recoupment of payments from
10 the hospitals, provided the hospitals have complied with the directions
11 of the department for participation in the program. The legislature
12 intends that hospitals in the program receive no less in combined state
13 and federal payments than they would have received under the
14 methodology that was in place during fiscal year 2005. The department
15 shall therefore make additional grant payments, not to exceed the
16 amounts provided in this subsection, to hospitals whose total payments
17 under the program would otherwise be less than the total state and
18 federal payments they would have received under the methodology in
19 effect during fiscal year 2005. \$37,034,000 of the general fund--state
20 appropriation for fiscal year 2006, \$37,552,000 of the general fund--
21 state appropriation for fiscal year 2007, \$8,300,000 of the emergency
22 medical services and trauma care systems trust account--state
23 appropriation, and \$45,450,000 of the general fund--federal
24 appropriation are provided solely for new state grant and upper payment
25 limit programs for the participating hospitals.

26 (10) \$4,372,000 of the general fund--state appropriation for fiscal
27 year 2006, \$4,014,000 of the general fund--state appropriation for
28 fiscal year 2007, and \$65,112,000 of the general fund--federal
29 appropriation are provided solely for development and implementation of
30 a replacement system for the existing medicaid management information
31 system.

32 (11) \$150,000 of the general fund--state appropriation for fiscal
33 year 2006, \$75,000 of the general fund--state appropriation for fiscal
34 year 2007, and \$225,000 of the general fund--federal appropriation are
35 provided solely for the department to contract for an independent
36 analysis of the medical assistance administration's current system for
37 establishing hospital inpatient payment rates, and for recommendations
38 on a new or updated system. The department shall submit an interim

1 report of study findings by December 1, 2005, and a final report by
2 November 15, 2006. The interim report shall include a comparison of
3 the strengths and weaknesses of the current rate-setting system
4 relative to those used by other state, federal, and private payers.
5 The final report shall include recommendations on the design and
6 implementation of a new or updated system that will promote equity
7 among hospitals, access to quality care and improved health outcomes
8 for patients, and cost-control and efficiency for taxpayers. The study
9 should make use of complete and current cost data from a wide variety
10 of hospitals, recognize unique aspects of hospital service delivery
11 structures and medicaid payment systems in Washington, recognize
12 impacts on productivity and quality of care that may result from
13 hospital compensation, recruitment, and retention policies, and provide
14 opportunities for comment and participation by key interest groups in
15 the identification and assessment of alternatives.

16 (12) Payment rates for hospital inpatient and outpatient services
17 shall be increased by an average of 1.3 percent effective July 1, 2005,
18 and by an average of an additional 1.3 percent effective July 1, 2006.
19 The inpatient increases shall be provided only on the portion of a
20 hospital's rate that excludes medical education and outlier costs, and
21 shall be allocated so that hospitals with lower costs of care
22 (excluding medical education and outlier costs) receive larger
23 percentage increases than those with higher costs of care. The
24 inpatient increases shall be allocated in three percentage increments,
25 with the lowest-cost hospitals receiving the largest percentage rate
26 increase, highest-cost hospitals receiving the smallest percentage
27 increase, and medium-cost hospitals receiving the average of the
28 highest and the lowest percentage rate increase. Increases shall not
29 be provided to those hospitals that are certified as critical access.
30 Sufficient funds are appropriated in this section for Healthy Options
31 contractors to increase hospital payment rates commensurate with the
32 increases in fee-for-service payment rates.

33 (13) When a person is ineligible for medicaid solely by reason of
34 residence in an institution for mental diseases, the department shall
35 provide the person with the same benefits as he or she would receive if
36 eligible for medicaid, using state-only funds to the extent necessary.

37 (14) The medical assistance administration is authorized to use

1 funds appropriated in this section to purchase goods and supplies
2 through direct contracting with vendors when the administration
3 determines it is cost-effective to do so.

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

7 (16) By October 1, 2005, the department shall recommend to the
8 governor and legislature at least two pilot project designs which seem
9 likely to reduce avoidable emergency room utilization at no net cost to
10 the state within the projects' first eighteen months of operation.

11 (17) Within funds appropriated in this section, the department
12 shall participate in the health technology assessment program required
13 in section 213(6) of this act.

14 (18) The department is also required to participate in the joint
15 health purchasing project described in section 213(7) of this act.

16 (19) The department shall, within available resources, continue
17 operation of the medical care services care management pilot project
18 for clients receiving general assistance benefits in King and Pierce
19 counties. The project may use a full or partial capitation model that
20 includes a mechanism for shared savings. The department shall provide
21 a report to the appropriate committees of the legislature by January 1,
22 2006, on costs, savings, and any outcomes or quality measures
23 associated with the pilot programs during the first year of operation.

24 (20) By October 1, 2005, the department shall report to the
25 appropriate committees of the legislature on the potential fiscal and
26 programmatic costs and benefits associated with an expansion of managed
27 care pilot programs to SSI and other eligible medicaid elderly and
28 disabled persons.

29 (21) Within the funding provided in section 207(2) of this act, the
30 medical assistance administration and the economic services
31 administration may implement a time-limited transitional prescription
32 drug benefit for general assistance unemployable recipients who obtain
33 employment and who have no other source of health insurance coverage.
34 The benefit shall be limited to coverage of prescription drugs and
35 medication management. The benefit shall be limited to one year. The
36 department shall implement a premium schedule for the benefits under
37 this subsection that is related to the participant's income. The
38 minimum premium shall be twenty dollars per month. Recipients of this

1 transitional benefit shall not be considered part of the general
2 assistance caseload unless eligibility is established under standard
3 reapplication procedures.

4 (22) By November 15, 2006, the department of social and health
5 services, in consultation with the department of revenue and the health
6 care authority, shall report to the health care and fiscal committees
7 of the legislature on options for providing financial incentives for
8 private practice physicians to serve uninsured, medicare, and medicaid
9 patients. The report shall include an assessment of the relative costs
10 and effectiveness of strategies including, but not limited to, tax
11 credits and payment rate increases. The report shall further suggest
12 alternative mechanisms and thresholds for varying tax credits and
13 payment enhancements according to the extent to which a provider serves
14 uninsured, medicare, and medicaid patients.

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

17	General Fund--State Appropriation (FY 2006)	\$11,202,000
18	General Fund--State Appropriation (FY 2007)	\$11,350,000
19	General Fund--Federal Appropriation	\$86,908,000
20	General Fund--Private/Local Appropriation	\$440,000
21	Telecommunications Devices for the Hearing and	
22	Speech Impaired--State Appropriation	\$1,791,000
23	TOTAL APPROPRIATION	\$111,691,000

24 The appropriations in this section are subject to the following
25 conditions and limitations: The division of vocational rehabilitation
26 shall maintain support for existing clubhouse programs at the 2003-2005
27 level.

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

30	General Fund--State Appropriation (FY 2006)	\$32,933,000
31	General Fund--State Appropriation (FY 2007)	\$29,910,000
32	General Fund--Federal Appropriation	\$51,489,000
33	General Fund--Private/Local Appropriation	\$810,000
34	Public Safety and Education Account--State	
35	Appropriation	\$2,452,000
36	Violence Reduction and Drug Enforcement Account--State	

1	Appropriation	\$1,791,000
2	Domestic Violence Prevention Account--State	
3	Appropriation	\$1,345,000
4	TOTAL APPROPRIATION	\$120,730,000

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

7 (1) \$500,000 of the general fund--state appropriation for fiscal
8 year 2006 and \$500,000 of the general fund--state appropriation for
9 fiscal year 2007 are provided solely for funding of the teamchild
10 project through the governor's juvenile justice advisory committee.

11 (2) \$2,452,000 of the public safety and education account--state
12 appropriation and \$1,791,000 of the violence reduction and drug
13 enforcement account--state appropriation are provided solely for the
14 family policy council.

15 (3) \$3,195,000 of the general fund--state appropriation for fiscal
16 year 2006, \$639,000 of the general fund--state appropriation for fiscal
17 year 2007, and \$3,834,000 of the general--fund federal appropriation
18 are provided solely to implement the 2005-07 home care worker
19 collective bargaining agreement.

20 (4) \$1,345,000 of the domestic violence prevention account is
21 provided solely for the implementation of Engrossed Substitute House
22 Bill No. 1314 (domestic violence prevention). If legislation creating
23 the account is not enacted by June 30, 2005, this amount shall lapse.

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

26	General Fund--State Appropriation (FY 2006)	\$46,381,000
27	General Fund--State Appropriation (FY 2007)	\$46,380,000
28	General Fund--Federal Appropriation	\$45,103,000
29	TOTAL APPROPRIATION	\$137,864,000

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

31	General Fund--Federal Appropriation	\$3,140,000
32	State Health Care Authority Administrative Account--	
33	State Appropriation	\$29,394,000
34	Medical Aid Account--State Appropriation	\$171,000
35	Health Services Account--State Appropriation	\$456,207,000
36	TOTAL APPROPRIATION	\$488,912,000

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

3 (1) Within amounts appropriated in this section and sections 205
4 and 206 of this act, the health care authority shall continue to
5 provide an enhanced basic health plan subsidy for foster parents
6 licensed under chapter 74.15 RCW and workers in state-funded home care
7 programs. Under this enhanced subsidy option, foster parents and home
8 care workers with family incomes below 200 percent of the federal
9 poverty level shall be allowed to enroll in the basic health plan at
10 the minimum premium amount charged to enrollees with incomes below
11 sixty-five percent of the federal poverty level.

12 (2) The health care authority shall require organizations and
13 individuals which are paid to deliver basic health plan services and
14 which choose to sponsor enrollment in the subsidized basic health plan
15 to pay 133 percent of the premium amount which would otherwise be due
16 from the sponsored enrollees.

17 (3) The administrator shall take at least the following actions to
18 assure that persons participating in the basic health plan are eligible
19 for the level of assistance they receive: (a) Require submission of
20 (i) income tax returns, and recent pay history, from all applicants, or
21 (ii) other verifiable evidence of earned and unearned income from those
22 persons not required to file income tax returns; (b) check employment
23 security payroll records at least once every twelve months on all
24 enrollees; (c) require enrollees whose income as indicated by payroll
25 records exceeds that upon which their subsidy is based to document
26 their current income as a condition of continued eligibility; (d)
27 require enrollees for whom employment security payroll records cannot
28 be obtained to document their current income at least once every six
29 months; (e) not reduce gross family income for self-employed persons by
30 noncash-flow expenses such as, but not limited to, depreciation,
31 amortization, and home office deductions, as defined by the United
32 States internal revenue service; and (f) pursue repayment and civil
33 penalties from persons who have received excessive subsidies, as
34 provided in RCW 70.47.060(9).

35 (4) \$19,108,000 of the health services account--state appropriation
36 is provided solely for funding for health care services provided
37 through local community clinics.

1 (5) \$391,000 of the health services account appropriation is
2 provided solely for implementation of Substitute Senate Bill No. 5471,
3 chapter 129, Laws of 2005 (drug purchasing consortium).

4 (6) The health care authority shall conduct a health technology
5 assessment pilot project to evaluate scientific evidence regarding
6 current and evolving health care procedures, services and technology.
7 The pilot shall be a joint effort of the departments of social and
8 health services, labor and industries, corrections, and veteran's
9 affairs and the health care authority. Upon completion of assessment
10 of a procedure, service or technology, the agencies shall make every
11 effort, consistent with federal and state law, to jointly decide: (a)
12 On coverage of the procedure, service or technology by each agency, and
13 (b) if covered, the guidelines or criteria that will be applied to
14 medical necessity decisions.

15 (7) The departments of social and health services, labor and
16 industries and the health care authority, in collaboration with
17 affected health care providers, facilities, and contracted health
18 plans, shall design and implement a joint health purchasing project
19 that links payment to health care provider or facility performance,
20 particularly where such performance is expected to improve patient
21 outcomes or where there are wide variations in clinical practice used
22 to treat a condition or illness. The purchasing effort shall utilize
23 evidence-based performance measures that are designed to improve
24 quality of care and yield measurable and significant savings. The
25 project shall include payment mechanisms that create incentives to
26 improve quality of care. On or before December 1, 2006, the agencies
27 shall report to relevant policy and fiscal committees of the
28 legislature on the status of the purchasing project, including actual
29 and anticipated savings.

30 (8) \$395,000 of the health services account appropriation is
31 provided solely for implementation of Substitute House Bill No. 1689
32 (dental residency program). If Substitute House Bill No. 1689 is not
33 enacted by June 30, 2005, the amount provided in this subsection shall
34 lapse.

35 (9) \$250,000 of the health services account appropriation is
36 provided solely for implementation of Engrossed Second Substitute House
37 Bill No. 1688 (certificate of need program). If Engrossed Second

1 Substitute House Bill No. 1688 is not enacted by June 30, 2005, the
2 amount provided in this subsection shall lapse.

3 (10) \$316,000 of the health services account--state appropriation
4 and \$15,000 of the general fund--federal appropriation are provided
5 solely for a study of electronic medical records systems pursuant to
6 Substitute Senate Bill No. 5064 (electronic medical records). If the
7 bill is not enacted by June 30, 2005, the amounts provided in this
8 subsection shall lapse.

9 (11) The health care authority shall study alternatives for the
10 provision of a high deductible health plan and health savings accounts
11 for enrollees in the basic health and public employees' benefits board
12 plans that conform to section 223, Part VII of subchapter B of chapter
13 1 of the internal revenue code of 1986. The board shall submit a
14 report to the legislature by December 1, 2005, on options for
15 implementation of pilot programs for the basic health and public
16 employees' benefits board plans and a full scale offering. The board's
17 report shall include estimates of the fiscal impact of each option.

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

19	General Fund--State Appropriation (FY 2006)	\$2,596,000
20	General Fund--State Appropriation (FY 2007)	\$2,634,000
21	General Fund--Federal Appropriation	\$1,741,000
22	TOTAL APPROPRIATION	\$6,971,000

23 The appropriations in this section are subject to the following
24 conditions and limitations: The commission shall submit a report by
25 December 1st of each year to the office of financial management and the
26 legislative fiscal committees detailing any changes in existing federal
27 revenues for the remainder of the current fiscal year and changes in
28 projections of federal revenue for the upcoming fiscal year.

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

30 **APPEALS**

31	Worker and Community Right-to-Know Account--State	
32	Appropriation	\$20,000
33	Accident Account--State Appropriation	\$16,399,000
34	Medical Aid Account--State Appropriation	\$16,398,000
35	TOTAL APPROPRIATION	\$32,817,000

1 NEW SECTION. **Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING**
2 **COMMISSION**

3 Public Safety and Education Account--State

4 Appropriation	\$19,003,000
5 Death Investigations Account--State Appropriation	\$148,000
6 Municipal Criminal Justice Assistance Account--	
7 Private/Local Appropriation	\$460,000
8 TOTAL APPROPRIATION	\$19,611,000

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

11 (1) During the 2005-2007 biennium, the criminal justice training
12 commission is authorized to raise existing fees charged for firearms
13 certification for security guards in excess of the fiscal growth factor
14 established pursuant to RCW 43.135.055, if necessary, to meet the
15 actual costs of conducting the certification programs and the
16 appropriation levels in this section.

17 (2) \$100,000 of the public safety and education account--state
18 appropriation is provided solely for support of the coalition of small
19 police agencies major crimes task force. The purpose of this task
20 force is to pool its resources and to establish an efficient and
21 cooperative approach in addressing major violent crimes.

22 (3) Amounts provided within this section are sufficient to
23 implement the provisions of section 2 of House Bill No. 1136
24 (electronic monitoring system).

25 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF LABOR AND**
26 **INDUSTRIES**

27 General Fund--State Appropriation (FY 2006)	\$7,554,000
28 General Fund--State Appropriation (FY 2007)	\$7,648,000
29 Public Safety and Education Account--State	
30 Appropriation	\$27,277,000
31 Public Safety and Education Account--Federal	
32 Appropriation	\$10,000,000
33 Asbestos Account--State Appropriation	\$808,000
34 Electrical License Account--State Appropriation	\$34,743,000
35 Farm Labor Revolving Account--Private/Local	
36 Appropriation	\$28,000
37 Worker and Community Right-to-Know Account--State	

1	Appropriation	\$1,836,000
2	Public Works Administration Account--State	
3	Appropriation	\$2,664,000
4	Accident Account--State Appropriation	\$206,490,000
5	Accident Account--Federal Appropriation	\$13,621,000
6	Medical Aid Account--State Appropriation	\$205,011,000
7	Medical Aid Account--Federal Appropriation	\$3,185,000
8	Plumbing Certificate Account--State Appropriation	\$1,657,000
9	Pressure Systems Safety Account--State Appropriation	\$3,324,000
10	TOTAL APPROPRIATION	\$525,846,000

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

13 (1) \$700,000 of the accident account--state appropriation and
14 \$699,000 of the medical aid account--state appropriation are provided
15 solely for the construction of a computer system to collect data from
16 self-insured employers and are contingent on the passage of Substitute
17 House Bill No. 1310 (workers compensation reporting) on mandatory
18 electronic data reporting by self-insured employers. If the bill is
19 not enacted by June 30, 2005, the amounts provided in this subsection
20 shall lapse.

21 (2) \$27,227,000 of the public safety and education account--state
22 appropriation, and \$10,000,000 of the public safety and education
23 account--federal appropriation are provided solely for the crime
24 victims' compensation program, subject to the following conditions:

25 (a) Reimbursement shall be provided throughout the 2005-2007
26 biennium for full reimbursement of sexual assault forensic exams at
27 workers' compensation rates; and

28 (b) In accordance with RCW 7.68.015, it is the policy of the state
29 that the department of labor and industries operate the crime victims'
30 compensation program within the amounts provided for this program in
31 this subsection.

32 (3) \$200,000 of the accident account--state appropriation is
33 provided solely to reimburse the department of agriculture for the
34 agricultural worker pesticide handling and application training
35 program.

36 (4) \$71,000 of the medical aid account--state appropriation and
37 \$71,000 of the accident account--state appropriation are provided

1 solely for the review of payment of medical bills and authorization for
2 medical procedures by self-insurers.

3 (5) The department is required to participate in the health
4 technology assessment program required in section 213(6) of this act.

5 (6) The department is also required to participate in the joint
6 health purchasing project described in section 213(7) of this act.

7 (7) \$35,000 of the general fund--state appropriation for fiscal
8 year 2006 and \$8,000 of the general fund--state appropriation for
9 fiscal year 2007 are provided solely for the implementation of
10 Substitute House Bill No. 1393 (older mobile homes). If the bill is
11 not enacted by June 30, 2005, the amount provided in this subsection
12 shall lapse.

13 (8) \$182,000 of the accident account--state appropriation and
14 \$623,000 of the medical aid account--state appropriation are provided
15 solely to expand the Spokane center of occupational health and
16 education to include Yakima county. The Spokane center of occupational
17 health will recruit and train approximately one hundred sixty
18 physicians in Yakima county on best practices for occupational medicine
19 and work with labor and business to improve quality and outcomes of
20 medical care provided to injured workers.

21 (9) \$158,000 of the accident account--state appropriation and
22 \$158,000 of the medical aid account--state appropriation are provided
23 solely to implement Substitute House Bill No. 1856 (annual audits of
24 the state industrial insurance fund). If the bill is not enacted by
25 June 30, 2005, the amounts provided in this subsection shall lapse.

26 (10) The department shall delay the costs associated with
27 implementation of phase II of its indirect cost allocation plan for the
28 public works administration account until July 1, 2007.

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

31	General Fund--State Appropriation (FY 2006)	\$1,092,000
32	General Fund--State Appropriation (FY 2007)	\$1,096,000
33	TOTAL APPROPRIATION	\$2,188,000

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

35	(1) HEADQUARTERS	
36	General Fund--State Appropriation (FY 2006)	\$1,918,000

1	General Fund--State Appropriation (FY 2007)	\$1,880,000
2	Charitable, Educational, Penal, and Reformatory	
3	Institutions Account--State Appropriation	\$10,000
4	TOTAL APPROPRIATION	\$3,808,000

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

7 (a) The department shall participate in the health technology
8 assessment program required in section 213(6) of this act.

9 (b) The department shall participate in the joint health purchasing
10 project described in section 213(7) of this act.

11 (c) \$25,000 of the general fund--state appropriation for fiscal
12 year 2006 is provided for the department to conduct a feasibility study
13 of a veterans' cemetery in eastern Washington. The study shall include
14 location, acquisition costs, projection of continued operations costs,
15 and revenue sources for acquisition and operations. A final report of
16 the findings shall be submitted no later than December 15, 2005.

17 (d) \$70,000 of the general fund--state appropriation for fiscal
18 year 2006 and \$70,000 of the general fund--state appropriation for
19 fiscal year 2007 are provided solely for implementation of Senate Bill
20 No. 5539 (veterans conservation corps). If Senate Bill No. 5539 is not
21 enacted by June 30, 2005, these amounts shall lapse.

22 (2) FIELD SERVICES

23	General Fund--State Appropriation (FY 2006)	\$2,811,000
24	General Fund--State Appropriation (FY 2007)	\$2,809,000
25	General Fund--Federal Appropriation	\$343,000
26	General Fund--Private/Local Appropriation	\$2,016,000
27	TOTAL APPROPRIATION	\$7,979,000

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

30 (a) \$25,000 of the general fund--state appropriation for fiscal
31 year 2006 is provided solely for the development of a public service
32 announcement outreach campaign directed at returning veterans from
33 Operation Iraqi Freedom and Operation Enduring Freedom.

34 (b) \$75,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$95,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely for the post traumatic stress

1 counseling program expansion to address the needs of veterans returning
2 from Iraq and Afghanistan.

3 (3) INSTITUTIONAL SERVICES

4	General Fund--State Appropriation (FY 2006)	\$8,259,000
5	General Fund--State Appropriation (FY 2007)	\$8,238,000
6	General Fund--Federal Appropriation	\$31,436,000
7	General Fund--Private/Local Appropriation	\$26,338,000
8	TOTAL APPROPRIATION	\$74,271,000

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

10	General Fund--State Appropriation (FY 2006)	\$919,000
11	General Fund--State Appropriation (FY 2007)	\$1,093,000
12	General Fund--Federal Appropriation	\$1,034,000
13	TOTAL APPROPRIATION	\$3,046,000

14 The appropriations in this section are subject to the following
15 conditions and limitations: The legislature encourages the home care
16 quality authority to move forward with implementation of a statewide
17 referral registry system by use of any existing and future agency
18 administrative moneys and by seeking other means of funding, including
19 grants and additional funding resources.

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

21	General Fund--State Appropriation (FY 2006)	\$64,090,000
22	General Fund--State Appropriation (FY 2007)	\$64,485,000
23	General Fund--Federal Appropriation	\$455,467,000
24	General Fund--Private/Local Appropriation	\$101,479,000
25	Hospital Commission Account--State Appropriation	\$2,615,000
26	Health Professions Account--State Appropriation	\$51,659,000
27	Aquatic Lands Enhancement Account--State	
28	Appropriation	\$600,000
29	Emergency Medical Services and Trauma Care Systems	
30	Trust Account--State Appropriation	\$12,578,000
31	Safe Drinking Water Account--State Appropriation	\$2,907,000
32	Drinking Water Assistance Account--Federal	
33	Appropriation	\$16,158,000
34	Waterworks Operator Certification--State Appropriation	\$1,098,000
35	Drinking Water Assistance Administrative Account--	
36	State Appropriation	\$326,000

1	Water Quality Account--State Appropriation	\$3,680,000
2	State Toxics Control Account--State Appropriation	\$2,843,000
3	Medical Test Site Licensure Account--State	
4	Appropriation	\$1,790,000
5	Youth Tobacco Prevention Account--State Appropriation	\$1,806,000
6	Public Health Supplemental Account--Private/Local	
7	Appropriation	\$3,306,000
8	Accident Account--State Appropriation	\$275,000
9	Medical Aid Account--State Appropriation	\$46,000
10	Health Services Account--State Appropriation	\$38,101,000
11	Tobacco Prevention and Control Account--State	
12	Appropriation	\$52,677,000
13	Patient Safety Account--State Appropriation	\$641,000
14	TOTAL APPROPRIATION	\$878,625,000

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

17 (1) The department or any successor agency is authorized to raise
18 existing fees charged for the clandestine drug lab program, the
19 drinking water program, radioactive materials license fees, X-ray
20 facility registration fees, shellfish commercial paralytic shellfish
21 poisoning fees, the water recreation program, the wastewater management
22 program, newborn specialty clinic fees, acute care hospitals,
23 psychiatric hospitals, child birth centers, correctional medical
24 facilities, alcoholism hospitals, and the midwifery program, in excess
25 of the fiscal growth factor pursuant to RCW 43.135.055, if necessary,
26 to meet the actual costs of conducting business and the appropriation
27 levels in this section. However, the department may not raise existing
28 fees charged for the midwifery program by more than twenty percent over
29 the biennium.

30 (2) \$1,363,000 of the general fund--state fiscal year 2006
31 appropriation, \$1,363,000 of the general fund--state fiscal year 2007
32 appropriation, and \$676,000 of the general fund--local appropriation
33 are provided solely for the implementation of the Puget Sound
34 conservation and recovery plan and agency action items, DOH-01, DOH-02,
35 DOH-03, and DOH-04.

36 (3) The department of health shall not initiate any services that
37 will require expenditure of state general fund moneys unless expressly
38 authorized in this act or other law. The department may seek, receive,

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

14 (4) \$383,000 of the general fund--state appropriation for fiscal
15 year 2006, \$317,000 of the general fund--state appropriation for fiscal
16 year 2007, and \$600,000 of the aquatic lands enhancement account
17 appropriation are provided solely to assist counties in marine areas
18 complete on-site sewage system management plans and electronic data
19 bases to inventory on-site sewage systems.

20 (5) \$60,000 of the health professions account appropriation is
21 provided solely for implementation of Engrossed Substitute Senate Bill
22 No. 5470 (prescription importation). If Engrossed Substitute Senate
23 Bill No. 5470 is not enacted by June 30, 2005, the amount provided in
24 this subsection shall lapse.

25 (6) \$268,000 of the health professions account appropriation is
26 provided solely for implementation of Engrossed Substitute House Bill
27 No. 2266 (precursor drugs). If Engrossed Substitute House Bill No.
28 2266 is not enacted by June 30, 2005, the amount provided in this
29 subsection shall lapse.

30 (7) \$42,000 of the health professions account appropriation is
31 provided solely for implementation of Second Substitute House Bill No.
32 1168 (prescription reimportation). If Second Substitute House Bill No.
33 1168 is not enacted by June 30, 2005, the amount provided in this
34 subsection shall lapse.

35 (8) \$82,000 of the general fund--state appropriation for fiscal
36 year 2006, \$52,000 of the general fund--state appropriation for fiscal
37 year 2007, and \$641,000 of the patient safety account appropriation are
38 provided solely for implementation of Engrossed Second Substitute House

1 Bill No. 1291 (patient safety practices). If Engrossed Second
2 Substitute House Bill No. 1291 is not enacted by June 30, 2005, the
3 amounts provided in this subsection shall lapse.

4 (9) \$100,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$200,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for the department to implement a
7 multi-year pilot project covering Adams, Chelan, Douglas, Grant and
8 Franklin counties for persons with household income at or below 200
9 percent of the federal poverty level who are ineligible for family
10 planning services through the medicaid program. Individuals who will
11 be served under the pilot program include women who have never been
12 pregnant, are not currently pregnant, or are beyond the family planning
13 extension period allowed for first steps program eligibility. It is
14 anticipated that the pilot program will serve approximately 500 women.
15 The department will provide a preliminary report to the appropriate
16 committees of the legislature by January 1, 2006, and a final report by
17 January 1, 2007.

18 (10) \$462,000 of the general fund--private/local appropriation is
19 provided solely to support specialty clinics that provide treatment
20 services to children that are identified with one of the five heritable
21 or metabolic disorders added to the newborn screening panel by the
22 state board of health in 2003.

23 (11) \$125,000 of the general fund--state appropriation for fiscal
24 year 2006 and \$125,000 of the general fund--state appropriation for
25 fiscal year 2007 are provided solely for the farmers' market nutrition
26 program of the special supplemental nutrition program for women,
27 infants and children. It is anticipated that these funds will enable
28 the department to expand 2004 participation levels by 8,000 persons
29 annually.

30 (12) \$100,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$100,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for the infertility prevention
33 project to implement effective prevention strategies designed to reduce
34 the prevalence of chlamydia and gonorrhea and their potentially
35 debilitating complications.

36 (13) With funds appropriated in this section, the medical advisory
37 committee to the early detection breast and cervical cancer screening
38 program shall study and recommend strategies for adopting emerging

1 technologies and best practices from the national, state, and local
2 levels in the field of early prevention and detection for breast and
3 cervical cancer, and assist the early detection breast and cervical
4 cancer screening program in implementing policy that follows the best
5 practices of high quality health care for clinical, diagnostic,
6 preventative, pathologic, radiological, and oncology services. The
7 committee will report its recommendations to the legislature by
8 December 15, 2006.

9 (14) \$25,000 of the general fund--state appropriation for fiscal
10 year 2006 is provided solely to develop and implement best practices in
11 preventative health care for children. The department and the kids get
12 care program of public health - Seattle and King county will work in
13 collaboration with local health care agencies to disseminate strategic
14 interventions that are focused on evidence-based best practices for
15 improving health outcomes in children and saving health-care costs.

16 (15) \$48,000 of the health professions account appropriation is
17 provided solely for implementation of Substitute House Bill No. 1075
18 (nursing quality commission). If Substitute House Bill No. 1075 is not
19 enacted by June 30, 2005, the amount provided in this subsection shall
20 lapse.

21 (16) \$74,000 of the health professions account appropriation is
22 provided solely for implementation of Substitute House Bill No. 1137
23 (physical therapy). If Substitute House Bill No. 1137 is not enacted
24 by June 30, 2005, the amount provided in this subsection shall lapse.

25 (17) \$109,000 of the health professions account appropriation is
26 provided solely for implementation of House Bill No. 1546 (naturopathic
27 physicians). If House Bill No. 1546 is not enacted by June 30, 2005,
28 the amount provided in this subsection shall lapse.

29 (18) \$80,000 of the health professions account appropriation is
30 provided solely for implementation of Substitute House Bill No. 1689
31 (dental health services). If Substitute House Bill No. 1689 is not
32 enacted by June 30, 2005, the amount provided in this subsection shall
33 lapse.

34 (19) \$42,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$24,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely for implementation of Engrossed
37 Second Substitute House Bill No. 1605 (soil contamination). If

1 Engrossed Second Substitute House Bill No. 1605 is not enacted by June
2 30, 2005, the amount provided in this subsection shall lapse.

3 (20) \$40,000 of the general fund--state appropriation for fiscal
4 year 2006 is provided solely for implementation of Substitute House
5 Bill No. 1951 (vision exams for children). If Substitute House Bill
6 No. 1951 is not enacted by June 30, 2005, the amount provided in this
7 subsection shall lapse.

8 (21) \$43,000 of the general fund--state appropriation for fiscal
9 year 2006 is provided solely for implementation of Engrossed Senate
10 Bill No. 5049 (mold in residential units). If Engrossed Senate Bill
11 No. 5049 is not enacted by June 30, 2005, the amount provided in this
12 subsection shall lapse.

13 (22) \$26,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$12,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for implementation of Senate Bill
16 No. 5311 (autism task force). If Senate Bill No. 5311 is not enacted
17 by June 30, 2005, the amount provided in this subsection shall lapse.

18 (23) \$168,000 of the health services account appropriation is
19 provided solely for a two-year pilot project under which parents have
20 the option to choose vaccines which do not contain mercury.

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

22 (1) ADMINISTRATION AND SUPPORT SERVICES

23	General Fund--State Appropriation (FY 2006)	\$52,282,000
24	General Fund--State Appropriation (FY 2007)	\$41,838,000
25	General Fund--Federal Appropriation	\$1,022,000
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation	\$26,000
28	Public Safety and Education Account--State	
29	Appropriation	\$2,768,000
30	Industrial Insurance Account--State Appropriation	\$1,000
31	TOTAL APPROPRIATION	\$97,937,000

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

34 (a) \$11,250,000 of the general fund--state appropriation for fiscal
35 year 2006 is provided solely for phase three of the department's
36 offender-based tracking system replacement project. This amount is

1 conditioned on the department satisfying the requirements of section
2 902 of this act.

3 (b) \$26,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$44,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for the implementation of
6 Substitute House Bill No. 1402 (offender travel or transfer). If the
7 bill is not enacted by June 30, 2005, the amounts provided in this
8 subsection shall lapse.

9 (2) CORRECTIONAL OPERATIONS

10	General Fund--State Appropriation (FY 2006)	\$516,992,000
11	General Fund--State Appropriation (FY 2007)	\$545,816,000
12	General Fund--Federal Appropriation	\$4,424,000
13	Violence Reduction and Drug Enforcement Account--	
14	State Appropriation	\$2,984,000
15	TOTAL APPROPRIATION	\$1,070,216,000

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

18 (a) For the acquisition of properties and facilities, the
19 department of corrections is authorized to enter into financial
20 contracts, paid for from operating resources, for the purposes
21 indicated and in not more than the principal amounts indicated, plus
22 financing expenses and required reserves pursuant to chapter 39.94 RCW.
23 This authority applies to the following: Lease-develop with the option
24 to purchase or lease-purchase work release beds in facilities
25 throughout the state for \$8,561,000.

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

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

35 (d) The department shall accomplish personnel reductions with the
36 least possible impact on correctional custody staff, community custody
37 staff, and correctional industries. For the purposes of this

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

3 (e) During the 2005-07 biennium, when contracts are established or
4 renewed for offender pay phone and other telephone services provided to
5 inmates, the department shall select the contractor or contractors
6 primarily based on the following factors: (i) The lowest rate charged
7 to both the inmate and the person paying for the telephone call; and
8 (ii) the lowest commission rates paid to the department, while
9 providing reasonable compensation to cover the costs of the department
10 to provide the telephone services to inmates and provide sufficient
11 revenues for the activities funded from the institutional welfare
12 betterment account.

13 (f) The department shall participation in the health technology
14 assessment program required in section 213(6) of this act. The
15 department shall also participate in the joint health purchasing
16 project described in section 213(7) of this act.

17 (g) The Harborview medical center shall provide inpatient and
18 outpatient hospital services to offenders confined in department of
19 corrections facilities at a rate no greater than the average rate that
20 the department has negotiated with other community hospitals in
21 Washington state.

22 (3) COMMUNITY SUPERVISION

23	General Fund--State Appropriation (FY 2006)	\$82,210,000
24	General Fund--State Appropriation (FY 2007)	\$81,646,000
25	Public Safety and Education Account--State	
26	Appropriation	\$16,736,000
27	TOTAL APPROPRIATION	\$180,592,000

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

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

35 (b) \$268,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$484,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely for the implementation of

1 Substitute House Bill No. 1402 (offender travel or transfer). If the
2 bill is not enacted by June 30, 2005, the amounts provided in this
3 subsection shall lapse.

4 (c) \$122,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$82,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for the implementation of House
7 Bill No. 1136 (electronic monitoring system). If the bill is not
8 enacted by June 30, 2005, the amounts provided in this subsection shall
9 lapse.

10 (4) CORRECTIONAL INDUSTRIES

11	General Fund--State Appropriation (FY 2006)	\$838,000
12	General Fund--State Appropriation (FY 2007)	\$882,000
13	TOTAL APPROPRIATION	\$1,720,000

14 The appropriations in this subsection are subject to the following
15 conditions and limitations: \$110,000 of the general fund--state
16 appropriation for fiscal year 2006 and \$110,000 of the general fund--
17 state appropriation for fiscal year 2007 are provided solely for
18 transfer to the jail industries board. The board shall use the amounts
19 provided only for administrative expenses, equipment purchases, and
20 technical assistance associated with advising cities and counties in
21 developing, promoting, and implementing consistent, safe, and efficient
22 offender work programs.

23 (5) INTERAGENCY PAYMENTS

24	General Fund--State Appropriation (FY 2006)	\$33,839,000
25	General Fund--State Appropriation (FY 2007)	\$33,838,000
26	TOTAL APPROPRIATION	\$67,677,000

27 NEW SECTION. **Sec. 223. FOR THE DEPARTMENT OF SERVICES FOR THE**
28 **BLIND**

29	General Fund--State Appropriation (FY 2006)	\$1,887,000
30	General Fund--State Appropriation (FY 2007)	\$1,939,000
31	General Fund--Federal Appropriation	\$15,326,000
32	General Fund--Private/Local Appropriation	\$80,000
33	TOTAL APPROPRIATION	\$19,232,000

34 NEW SECTION. **Sec. 224. FOR THE SENTENCING GUIDELINES COMMISSION**

35	General Fund--State Appropriation (FY 2006)	\$864,000
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1 General Fund--State Appropriation (FY 2007) \$861,000
 2 TOTAL APPROPRIATION \$1,725,000

3 NEW SECTION. **Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

4 General Fund--State Appropriation (FY 2006) \$60,000
 5 General Fund--State Appropriation (FY 2007) \$60,000
 6 General Fund--Federal Appropriation \$259,865,000
 7 General Fund--Private/Local Appropriation \$31,857,000
 8 Unemployment Compensation Administration Account--
 9 Federal Appropriation \$199,217,000
 10 Administrative Contingency Account--State
 11 Appropriation \$14,946,000
 12 Employment Service Administrative Account--State
 13 Appropriation \$24,411,000
 14 TOTAL APPROPRIATION \$530,416,000

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

17 (1) \$2,087,000 of the unemployment compensation administration
 18 account--federal appropriation is provided from amounts made available
 19 to the state by section 903(d) of the Social Security Act (Reed Act).
 20 This amount is provided to replace obsolete information technology
 21 infrastructure.

22 (2) \$12,735,000 of the unemployment compensation administration
 23 account--federal appropriation is provided from amounts made available
 24 to the state by section 903(d) of the Social Security Act (Reed Act).
 25 This amount is authorized for state choice administrative functions.
 26 The department shall submit recommendations by September 1, 2007, to
 27 the office of financial management and the legislative fiscal
 28 committees for options reducing the costs of the state choice
 29 administrative functions for the 2007-2009 biennium. If these options
 30 require any statutory changes, the department shall submit agency
 31 request legislation to the appropriate legislative policy committees
 32 and fiscal committees by December 15, 2007.

33 (3) \$2,300,000 of the unemployment compensation administration
 34 account--federal appropriation is provided from amounts made available
 35 to the state by section 903(d) of the Social Security Act (Reed Act).
 36 This amount is authorized to continue implementation of chapter 4, Laws

1 of 2003 2nd sp. sess. and for implementation costs relating to
2 Engrossed House Bill No. 2255 (unemployment insurance).

3 (4) \$4,578,000 of the unemployment compensation administration
4 account--federal appropriation is provided from funds made available to
5 the state by section 903(d) of the Social Security Act (Reed Act).
6 These funds are authorized to provide direct services to unemployment
7 insurance claimants and providing job search review.

(End of part)

PART III
NATURAL RESOURCES

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

General Fund--State Appropriation (FY 2006)	\$471,000
General Fund--State Appropriation (FY 2007)	\$478,000
General Fund--Private/Local Appropriation	\$859,000
TOTAL APPROPRIATION	\$1,808,000

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

General Fund--State Appropriation (FY 2006)	\$40,648,000
General Fund--State Appropriation (FY 2007)	\$40,344,000
General Fund--Federal Appropriation	\$73,911,000
General Fund--Private/Local Appropriation	\$13,287,000
Special Grass Seed Burning Research	
Account--State Appropriation	\$14,000
Reclamation Account--State Appropriation	\$2,646,000
Flood Control Assistance Account--State	
Appropriation	\$3,084,000
State Emergency Water Projects Revolving	
Account--State Appropriation	\$1,456,000
Waste Reduction/Recycling/Litter Control--State	
Appropriation	\$15,067,000
State Drought Preparedness Account--State	
Appropriation	\$221,000
State and Local Improvements Revolving	
Account (Water Supply Facilities)--State	
Appropriation	\$384,000
Vessel Response Account--State Appropriation	\$2,876,000
Site Closure Account--State Appropriation	\$655,000
Water Quality Account--State Appropriation	\$28,021,000
Wood Stove Education and Enforcement	
Account--State Appropriation	\$357,000
Worker and Community Right-to-Know	
Account--State Appropriation	\$2,142,000
State Toxics Control Account--State Appropriation	\$78,169,000

1	State Toxics Control Account--Private/Local	
2	Appropriation	\$379,000
3	Local Toxics Control Account--State Appropriation	\$5,258,000
4	Water Quality Permit Account--State Appropriation	\$31,909,000
5	Underground Storage Tank Account--State Appropriation	\$2,883,000
6	Environmental Excellence Account--State Appropriation	\$504,000
7	Biosolids Permit Account--State Appropriation	\$851,000
8	Hazardous Waste Assistance Account--State	
9	Appropriation	\$5,153,000
10	Air Pollution Control Account--State Appropriation	\$11,199,000
11	Oil Spill Prevention Account--State Appropriation	\$10,219,000
12	Air Operating Permit Account--State Appropriation	\$2,679,000
13	Freshwater Aquatic Weeds Account--State	
14	Appropriation	\$2,534,000
15	Oil Spill Response Account--State Appropriation	\$7,079,000
16	Metals Mining Account--State Appropriation	\$14,000
17	Water Pollution Control Revolving Account--State	
18	Appropriation	\$413,000
19	Water Pollution Control Revolving Account--Federal	
20	Appropriation	\$1,995,000
21	Freshwater Aquatic Algae Control Account--State	
22	Appropriation	\$509,000
23	TOTAL APPROPRIATION	\$386,860,000

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

26 (1) \$2,526,196 of the general fund--state appropriation for fiscal
27 year 2006, \$2,526,195 of the general fund--state appropriation for
28 fiscal year 2007, \$366,000 of the general fund--federal appropriation,
29 \$2,581,000 of the state toxics account--state appropriation, \$540,806
30 of the water quality account--state appropriation, \$3,748,220 of the
31 water quality permit account--state appropriation, and \$705,000 of the
32 oil spill prevention account are provided solely for the implementation
33 of the Puget Sound conservation and recovery plan and agency action
34 items DOE-01, DOE-02, DOE-04, DOE-06, DOE-07, DOE-08, and DOE-09.

35 (2) As described in section 129(7) of this act, the department
36 shall make recommendations and report on monitoring activities related
37 to salmon recovery.

1 (3) \$4,054,000 of the state toxics control account appropriation is
2 provided solely for methamphetamine lab clean-up activities.

3 (4) \$170,000 of the oil spill prevention account appropriation is
4 provided solely for implementation of the Puget Sound conservation and
5 recovery plan action item UW-02 through a contract with the University
6 of Washington's sea grant program to continue an educational program
7 targeted to small spills from commercial fishing vessels, ferries,
8 cruise ships, ports, and marinas.

9 (5) \$2,500,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$2,000,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided solely for shoreline grants to local
12 governments to implement Substitute Senate Bill No. 6012 (shoreline
13 management), chapter 262, Laws of 2003.

14 (6) \$156,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$144,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided solely to expand the department's pilot
17 program for processing 401 water quality certification projects to a
18 statewide process and timeline to meet improved permit processing
19 accountability and timelines, which will result in 90 percent of
20 routine certifications occurring within 90 days of application, and
21 acknowledgement of receipt of the application being sent within 10
22 days.

23 (7) Fees approved by the department of ecology in the 2005-07
24 biennium are authorized to exceed the fiscal growth factor under RCW
25 43.135.055.

26 (8) \$100,000 of the general fund--state appropriation for fiscal
27 year 2006 and \$100,000 of the general fund--state appropriation for
28 fiscal year 2007 are provided solely to support water measurement and
29 water storage components of the Columbia River Initiative Program.

30 (9) \$661,000 of the reclamation account--state appropriation is
31 provided solely to implement Senate Bill No. 5831 (well construction
32 fees). If the bill is enacted by June 30, 2005, \$150,000 from the
33 general fund--state appropriation for fiscal year 2006 and \$150,000
34 from the general fund--state appropriation for fiscal year 2007
35 provided in this section shall lapse. If the bill is not enacted by
36 June 30, 2005, the amount provided from the reclamation account in this
37 subsection shall lapse.

1 (10) \$509,000 of the freshwater aquatic algae control account--
 2 state is provided solely for implementation of Engrossed Substitute
 3 Senate Bill No. 5699 (aquatic invasive species). If the bill is not
 4 enacted by June 30, 2005, the amount provided in this subsection shall
 5 lapse.

6 (11) \$250,000 of the state toxics control account--state
 7 appropriation is provided solely to implement Engrossed Second
 8 Substitute House Bill No. 1605 (soil contamination). If the bill is
 9 not enacted by June 30, 2005, the amount in this subsection shall
 10 lapse.

11 (12) \$200,000 of the water quality account--state appropriation is
 12 provided solely for the department to contract with the state
 13 conservation commission to provide statewide coordination and support
 14 for coordinated resource management.

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

17	General Fund--State Appropriation (FY 2006)	\$34,527,000
18	General Fund--State Appropriation (FY 2007)	\$34,669,000
19	General Fund--Federal Appropriation	\$2,738,000
20	General Fund--Private/Local Appropriation	\$71,000
21	Winter Recreation Program Account--State	
22	Appropriation	\$1,110,000
23	Off Road Vehicle Account--State Appropriation	\$225,000
24	Snowmobile Account--State Appropriation	\$4,805,000
25	Aquatic Lands Enhancement Account--State	
26	Appropriation	\$345,000
27	Parks Renewal and Stewardship Account--State	
28	Appropriation	\$38,480,000
29	Public Safety and Education Account--State	
30	Appropriation	\$47,000
31	Parks Renewal and Stewardship Account--Private/Local	
32	Appropriation	\$300,000
33	TOTAL APPROPRIATION	\$117,317,000

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

36 (1) Fees approved by the state parks and recreation commission in

1 the 2005-07 biennium are authorized to exceed the fiscal growth factor
2 under RCW 43.135.055.

3 (2) \$79,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$79,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for a grant for the operation of
6 the Northwest avalanche center.

7 (3) \$191,000 of the aquatic lands enhancement account appropriation
8 is provided solely for the implementation of the Puget Sound
9 conservation and recovery plan and agency action item PRC-02.

10 (4) \$185,000 of the parks renewal and stewardship account--state
11 appropriation is provided solely to develop a plan for public education
12 and tourist orientation and interpretation at selected state park sites
13 along the route of the ice age floods from Spokane to the Pacific
14 ocean.

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

17	General Fund--State Appropriation (FY 2006)	\$1,401,000
18	General Fund--State Appropriation (FY 2007)	\$1,414,000
19	General Fund--Federal Appropriation	\$18,455,000
20	General Fund--Private/Local Appropriation	\$250,000
21	Aquatic Lands Enhancement Account--State Appropriation	\$254,000
22	Water Quality Account--State Appropriation	\$200,000
23	Firearms Range Account--State Appropriation	\$24,000
24	Recreation Resources Account--State Appropriation	\$3,176,000
25	NOVA Program Account--State Appropriation	\$809,000
26	TOTAL APPROPRIATION	\$25,983,000

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

29 (1) As described in section 129(7) of this act, the department
30 shall make recommendations and report on monitoring activities related
31 to salmon recovery.

32 (2) \$16,025,000 of the general fund--federal appropriation is
33 provided solely for implementation of the forest and fish agreement
34 rules. These funds will be passed through to the department of natural
35 resources and the department of fish and wildlife.

36 (3) During the 2005-07 fiscal biennium, any county that purchased
37 land before 1978 for off-road vehicle sports park recreation pursuant

1 to 1972 ex.s. c 153 and 1975 1st ex.s. c 34 may discharge its
2 contractual obligations for state-funded capital improvements on those
3 lands if by no later than June 30, 2007:

4 (a) It sells on the open market, at the highest price achievable,
5 all such lands and related facilities and equipment. After deducting
6 reasonable expenses for the cost of sale, all remaining funds will be
7 deposited within thirty days of closing to the nonhighway and off-road
8 vehicle activities program account in the office of the state
9 treasurer. Any funds derived from such sale shall be expended in
10 accordance with RCW 46.09.170(2)(d)(ii)(A) in the same manner as funds
11 the committee receives from RCW 46.09.110 and shall be used for off-
12 road vehicle recreation facilities in areas west of the crest of the
13 Cascade Mountains with preference for developing a new off-road vehicle
14 sports park; or

15 (b) With the consent of the interagency committee, it gives all
16 such lands and related facilities and equipment to a state or local
17 agency. The state or local agency must agree to make the lands
18 available for purposes related to motorized off-road vehicle
19 recreation. The agency will not be responsible for contractual
20 obligations for previous state-funded capital improvements on those
21 lands. The interagency committee may award a one time noncompetitive
22 grant to the agency for renovation and other capital improvements and
23 for initial operating costs. If a transfer of property under this
24 subsection (b) is not approved prior to June 30, 2006, then the
25 property shall be sold according to (a) of this subsection.

26 (4) \$125,000 of the general fund--state appropriation for fiscal
27 year 2006 and \$125,000 of the general fund--state appropriation for
28 fiscal year 2007 are provided solely for the biodiversity strategy.

29 (5) \$20,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$20,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely for coordination of federal,
32 state, tribal, local, and private aquatic monitoring efforts. The
33 department shall provide a memorandum to the office of financial
34 management and legislative fiscal committees in January of every year
35 which specifies performance measures to reduce redundancy, increase
36 efficiency, and help meet the goals and objectives of the various
37 entities involved in monitoring and if these performance measures were
38 met.

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

2 General Fund--State Appropriation (FY 2006) \$1,057,000
3 General Fund--State Appropriation (FY 2007) \$1,064,000
4 TOTAL APPROPRIATION \$2,121,000

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

6 General Fund--State Appropriation (FY 2006) \$2,235,000
7 General Fund--State Appropriation (FY 2007) \$2,253,000
8 Water Quality Account--State Appropriation \$4,175,000
9 TOTAL APPROPRIATION \$8,663,000

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

12 (1) \$197,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$197,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for the implementation of the
15 Puget Sound conservation and recovery plan and agency action item CC-
16 01.

17 (2) As described in section 129(7) of this act, the department
18 shall make recommendations and report on monitoring activities related
19 to salmon recovery.

20 (3) \$100,000 of the general fund--state appropriation for fiscal
21 year 2006 and \$100,000 of the general fund--state appropriation for
22 fiscal year 2007 are provided solely to implement Substitute House Bill
23 No. 1462 (relating to funding for conservation districts). If the bill
24 is not enacted by June 30, 2005, the amounts provided in this
25 subsection shall lapse.

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

27 General Fund--State Appropriation (FY 2006) \$45,751,000
28 General Fund--State Appropriation (FY 2007) \$44,545,000
29 General Fund--Federal Appropriation \$42,261,000
30 General Fund--Private/Local Appropriation \$36,025,000
31 Off Road Vehicle Account--State Appropriation \$392,000
32 Aquatic Lands Enhancement Account--State
33 Appropriation \$5,813,000
34 Recreational Fisheries Enhancement--State
35 Appropriation \$3,547,000
36 Warm Water Game Fish Account--State Appropriation \$2,898,000

1	Eastern Washington Pheasant Enhancement	
2	Account--State Appropriation	\$750,000
3	Wildlife Account--State Appropriation	\$62,776,000
4	Wildlife Account--Federal Appropriation	\$30,966,000
5	Wildlife Account--Private/Local Appropriation	\$10,379,000
6	Game Special Wildlife Account--State Appropriation	\$2,147,000
7	Game Special Wildlife Account--Federal Appropriation	\$8,858,000
8	Game Special Wildlife Account--Private/Local	
9	Appropriation	\$468,000
10	Public Safety and Education Account--State	
11	Appropriation	\$588,000
12	Environmental Excellence Account--State Appropriation	\$15,000
13	Regional Fisheries Salmonid Recovery	
14	Account--Federal Appropriation	\$1,755,000
15	Oil Spill Prevention Account--State Appropriation	\$1,040,000
16	Recreation Resources Account--State Appropriation	\$36,000
17	Oyster Reserve Land Account--State Appropriation	\$411,000
18	Freshwater Aquatic Algae Control Account--State	
19	Appropriation	\$750,000
20	TOTAL APPROPRIATION	\$302,171,000

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

23 (1) As described in section 129(7) of this act, the department
24 shall make recommendations and report on monitoring activities related
25 to salmon recovery.

26 (2) \$1,556,714 of the general fund--state appropriation for fiscal
27 year 2006 and \$1,556,713 of the general fund--state appropriation for
28 fiscal year 2007 are provided solely for the implementation of the
29 Puget Sound conservation and recovery plan and agency action items DFW-
30 01 through DFW-06, DFW-08 through DFW-12, and DFW-16.

31 (3) \$225,000 of the general fund--state appropriation for fiscal
32 year 2006 and \$225,000 of the general fund--state appropriation for
33 fiscal year 2007 are provided solely for the implementation of hatchery
34 reform recommendations defined by the hatchery scientific review group.

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

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

4 (5) The department shall emphasize enforcement of laws related to
5 protection of fish habitat and the illegal harvest of salmon and
6 steelhead. Within the amount provided for the agency, the department
7 shall provide support to the department of health to enforce state
8 shellfish harvest laws.

9 (6) \$180,000 of the wildlife account--state appropriation is
10 provided solely to test deer and elk for chronic wasting disease and to
11 document the extent of swan lead poisoning. Of this amount, \$65,000 is
12 provided solely to document the extent of swan lead poisoning and to
13 begin environmental cleanup.

14 (7) The department shall provide quarterly status reports to the
15 office of financial management regarding the replacement of the
16 Washington interactive licensing system and the implementation of the
17 hydraulic permit management system.

18 (8) The department shall prepare a report detailing the hydraulic
19 permit approval program applications and project types. The department
20 shall coordinate with the office of financial management in determining
21 the contents of the report. At minimum, the report shall include
22 permits by applicant (name, state, local, federal, tribal entity,
23 etc.), project type (pamphlet, minor, medium, major, extension,
24 revision, etc.) and project location (county and water resource
25 inventory area). The department shall submit the report to the office
26 of financial management and legislative fiscal committees no later than
27 September 1, 2006.

28 (9) \$1,900,000 of the state wildlife account--state is provided
29 solely to implement Senate Bill No. 5234 (expanding hunter access to
30 private lands). If the bill is not enacted by June 30, 2005, the
31 amount provided in this subsection shall lapse.

32 (10) \$72,000 of the state wildlife account--state appropriation is
33 provided solely to implement House Bill No. 1211 (multiple season big
34 game permit). If the bill is not enacted by June 30, 2005, the amount
35 provided in this section shall lapse.

36 (11) \$75,000 of the general fund--state appropriation for fiscal
37 year 2006 is provided solely for a grant to the grizzly bear outreach

1 project to disseminate accurate information about grizzly bears and the
2 grizzly bear recovery process in the north Cascades mountains.

3 (12) \$750,000 of the freshwater aquatic algae control account--
4 state appropriation is provided solely to implement Senate Bill No.
5 5699 (preventing and controlling aquatic invasive species and algae).
6 If the bill is not enacted by June 30, 2005, the amounts provided in
7 this subsection shall lapse.

8 (13) \$703,000 of the general fund--state appropriation for fiscal
9 year 2006 is provided solely to purchase six purse seine and three gill
10 net licenses to meet the provisions of the United States/Canada salmon
11 treaty.

12 (14) \$50,000 of the wildlife account--state appropriation is
13 provided solely for reimbursements for damage to commercial livestock
14 caused by cougars.

15 (15) \$10,000 of the general fund--state appropriation for fiscal
16 year 2006 and \$10,000 of the general fund--state appropriation for
17 fiscal year 2007 are provided solely for chum salmon production at
18 Minter creek hatchery.

19 (16) \$45,000 of the general fund--federal appropriation for fiscal
20 year 2006 and \$45,000 of the general fund--federal appropriation for
21 fiscal year 2007 are provided solely for the management of Canada goose
22 seasons to increase the number of hunting days in southwest Washington.

23 (17) \$46,000 of the wildlife account--state appropriation is
24 provided solely to increase the number of courses providing the hunter
25 education training program created in RCW 77.32.155. The department
26 shall reduce the current backlog of applicants waiting to take the
27 training program and provide for a stable supply of training program
28 courses in order to avoid future backlogs.

29 (18) \$481,000 of the wildlife account--state appropriation is
30 provided solely to continued operation of the Naselle Hatchery during
31 the 2005-07 biennium. This will increase production by 3 million
32 Chinook, 1 million Coho, and 30,000 trout.

33 (19) \$120,000 of the wildlife account--state appropriation is
34 provided solely to implement Senate Bill No. 5232 (turkey tags). If
35 the bill is not enacted by June 30, 2005, the amount provided in this
36 subsection shall lapse.

37 (20) \$223,000 of the wildlife account--state appropriation is

1 provided solely to implement Senate Bill No. 5227 (wildlife harvest
2 reports). If the bill is not enacted by June 30, 2005, the amount
3 provided in this subsection shall lapse.

4 (21) \$4,000 of the wildlife account--state appropriation is
5 provided solely to implement House Bill No. 1210 (temporary fishing
6 license). If the bill is not enacted by June 30, 2005, the amount
7 provided in this subsection shall lapse.

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

9	General Fund--State Appropriation (FY 2006)	\$49,220,000
10	General Fund--State Appropriation (FY 2007)	\$43,757,000
11	General Fund--Federal Appropriation	\$15,202,000
12	General Fund--Private/Local Appropriation	\$1,275,000
13	Forest Development Account--State Appropriation	\$54,441,000
14	Off-Road Vehicle Account--State Appropriation	\$3,986,000
15	Surveys and Maps Account--State Appropriation	\$2,436,000
16	Aquatic Lands Enhancement Account--State	
17	Appropriation	\$8,344,000
18	Resources Management Cost Account--State	
19	Appropriation	\$85,941,000
20	Surface Mining Reclamation Account--State	
21	Appropriation	\$1,841,000
22	Disaster Response Account--State	
23	Appropriation	\$5,000,000
24	Water Quality Account--State Appropriation	\$2,630,000
25	Aquatic Land Dredged Material Disposal Site	
26	Account--State Appropriation	\$652,000
27	Natural Resources Conservation Areas Stewardship	
28	Account--State Appropriation	\$34,000
29	State Toxics Control Account--State Appropriation	\$2,155,000
30	Air Pollution Control Account--State Appropriation	\$555,000
31	Derelict Vessel Removal Account--State Appropriation	\$1,137,000
32	Agricultural College Trust Management	
33	Account--State Appropriation	\$1,962,000
34	TOTAL APPROPRIATION	\$280,568,000

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

1 (1) As described in section 129(7) of this act, the department
2 shall make recommendations and report on monitoring activities related
3 to salmon recovery.

4 (2) \$18,000 of the general fund--state appropriation for fiscal
5 year 2006, \$18,000 of the general fund--state appropriation for fiscal
6 year 2007, and \$1,652,050 of the aquatic lands enhancement account
7 appropriation are provided solely for the implementation of the Puget
8 Sound conservation and recovery plan and agency action items DNR-01 and
9 DNR-02.

10 (3) \$138,000 of the resource management cost account--state
11 appropriation is provided solely to implement Engrossed Second
12 Substitute House Bill No. 1896 (geoduck harvest). If the bill is not
13 enacted by June 30, 2005, the amount in the subsection shall lapse.

14 (4) \$953,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$950,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided solely for deposit into the agricultural
17 college trust management account and are provided solely to manage
18 approximately 70,700 acres of Washington State University's
19 agricultural college trust lands.

20 (5) \$10,635,000 of the general fund--state appropriation for fiscal
21 year 2006, \$13,635,000 of the general fund--state appropriation for
22 fiscal year 2007, and \$5,000,000 of the disaster response account--
23 state appropriation are provided solely for emergency fire suppression.
24 Of these amounts, up to \$250,000 may be expended for staff and other
25 necessary resources to design and implement a fire data-collection
26 system that includes financial- and performance-management information
27 for fires over 10 acres in size.

28 None of the general fund and disaster response account amounts
29 provided in this subsection may be used to fund agency indirect and
30 administrative expenses. Agency indirect and administrative costs
31 shall be allocated among the agency's remaining accounts and
32 appropriations.

33 (6) \$582,000 of the aquatic lands enhancement account appropriation
34 is provided solely for spartina control.

35 (7) Fees approved by the board of natural resources in the 2005-07
36 biennium are authorized to exceed the fiscal growth factor under RCW
37 43.135.055.

1 (8) \$9,000,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$2,000,000 of the aquatic lands enhancement account--
3 state appropriation are provided solely for the purposes of settling
4 those claims identified in the consent decree and settlement agreement
5 in *U.S., et al. v. State of Washington, et al.* Subproceeding No. 89-3
6 (Shellfish), United States District Court for the Western District of
7 Washington at Seattle, Case No. C70-9213. The expenditure of this
8 appropriation is contingent on the release of those claims in this
9 subproceeding. In the event that the federal government does not
10 appropriate \$22,000,000 for this purpose by June 30, 2006, the amounts
11 provided in this subsection shall lapse.

12 (9) \$2,155,000 of the state toxics account--state appropriation is
13 provided solely for the department to meet its obligations with the
14 U.S. environmental protection agency for the clean-up of Commencement
15 Bay and other sites.

16 (10) The department shall not develop the Gull Harbor facility
17 without first submitting a master plan to the appropriate committees of
18 the legislature. The plan shall ensure continued public access to the
19 waterfront. The plan shall also examine alternative locations to the
20 Gull Harbor site that would colocate marine equipment for all state
21 agencies needing water access in Thurston county. The report shall be
22 submitted by December 1, 2006.

23 (11) \$250,000 of the general fund--state appropriation for fiscal
24 year 2006, \$250,000 of the general fund--state appropriation for fiscal
25 year 2007, and \$500,000 of the resource management cost account--state
26 appropriation are provided solely for a report on the future of
27 Washington forests. The purpose of the report is to examine economic,
28 recreational, and environmental trends influencing the forest products
29 industry and secondary manufacturing sectors in Washington state. The
30 department shall contract with the University of Washington college of
31 forestry resources. The college shall consult with the University of
32 Washington economics department for the section on investment returns
33 from granted lands. The report shall contain the following parts:

34 (a) An update of the 1992 timber supply study for Washington state
35 that was conducted by the University of Washington. The update may be
36 accomplished by reviewing the most recent similar data available in
37 existing reports, examining a sample of the original 1992 study sample

1 of lands, and through other existing data sources that may reveal
2 relevant trends and changes since 1992.

3 (b) An independent assessment of the economic contribution of the
4 forest products industry, and secondary manufacturing sectors, to the
5 state. This assessment will also examine some of the macroeconomic
6 trends likely to affect the industry in the future.

7 (c) A comparison of the competitive position of Washington's forest
8 products industry globally, and with other leading forest products
9 states, or regions, of the United States. This evaluation should
10 compare the relative tax burden for growing and harvesting timber
11 between the states or regions and the relative cost of adhering to
12 regulations, and identify the competitive advantages of each state or
13 region.

14 (d) An assessment of the trends and dynamics that commercial and
15 residential development play in the conversion of the state's forests
16 to nonforestry uses. The assessment will involve gathering relevant
17 data, reviewing that data, and analyzing the relationship between
18 development and the conversion of forest land uses.

19 (e) Recommendations on: (i) Policy changes that would enhance the
20 competitive position of Washington's forest products industry in
21 Washington state; (ii) policy changes that would, to the extent
22 possible, ensure that a productive forest land base continues to be
23 managed for forest products, recreation, and environmental and other
24 public benefits into the future; and (iii) policy changes that would
25 enhance the recreational opportunities on working forest lands in the
26 state.

27 (f) Based on the information derived from (a) through (d) of this
28 subsection, an assessment of the expected rate of return from state
29 granted lands. This section of the reports shall also review reports
30 prepared by the department over the past ten years that describe the
31 investment returns from granted lands. The review of these previous
32 reports shall compare and critique the methodology and indicators used
33 to report investment returns. The review shall recommend appropriate
34 measures of investment returns from granted lands.

35 (g) Analyze and recommend policies and programs to assist Cascade
36 foothills area landowners and communities in developing and
37 implementing innovative approaches to retaining traditional forestry
38 while at the same time accommodating new uses that strengthen the

1 economic and natural benefits from forest lands. For the purposes of
2 this section, the Cascade foothills area generally encompasses the
3 nonurbanized lands within the Cascade mountain range and drainages
4 lying between three hundred and three thousand feet above mean sea
5 level, and located within Whatcom, Skagit, Snohomish, King, Pierce,
6 Thurston, and Lewis counties.

7 (12) \$4,000 of the general fund--state appropriation for fiscal
8 year 2005 and \$4,000 of the general fund--state appropriation for
9 fiscal year 2006 are provided solely to compensate the forest board
10 trust for a portion of the lease to the Crescent television improvement
11 district consistent with RCW 79.13.520.

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

13	General Fund--State Appropriation (FY 2006)	\$11,000,000
14	General Fund--State Appropriation (FY 2007)	\$10,443,000
15	General Fund--Federal Appropriation	\$10,608,000
16	General Fund--Private/Local Appropriation	\$413,000
17	Aquatic Lands Enhancement Account--State	
18	Appropriation	\$1,986,000
19	Water Quality Account--State Appropriation	\$968,000
20	State Toxics Control Account--State Appropriation	\$3,416,000
21	Water Quality Permit Account--State Appropriation	\$238,000
22	TOTAL APPROPRIATION	\$39,072,000

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

25 (1) \$37,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$37,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely for implementation of the Puget
28 Sound conservation and recovery plan and agency action item WSDA-01.

29 (2) Fees and assessments approved by the department in the 2005-07
30 biennium are authorized to exceed the fiscal growth factor under RCW
31 43.135.055.

32 (3) Within funds appropriated in this section, the department, in
33 addition to the authority provided in RCW 17.26.007, may enter into
34 agreements with federal agencies to eradicate spartina from private
35 lands that may provide a source of reinfestation to public lands.

36 (4) \$36,000 of the general fund--state appropriation for fiscal

1 year 2006 and \$37,000 of the general fund--state appropriation for
2 fiscal year 2007 are provided solely for an economic impact study of
3 fairs in the state of Washington.

4 (5) \$12,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$13,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for indemnity payments for poultry
7 that are ordered by the department to be slaughtered or destroyed.

8 (6) \$250,000 of the general fund--state appropriation for fiscal
9 year 2006 and \$250,000 of the general fund--state appropriation for
10 fiscal year 2007 are provided solely for market promotion and trade
11 barrier grants.

12 (7) \$75,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$75,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for the small farm and direct
15 marketing program.

16 (8) \$466,000 of the general fund--state appropriation for fiscal
17 year 2006 is provided solely to complete a database application that
18 would consolidate program information and enable the department to more
19 effectively respond to a food safety or animal disease emergency.

20 (9) \$150,000 of the general fund--state appropriation for fiscal
21 year 2006 and \$150,000 of the general fund--state appropriation for
22 fiscal year 2007 are provided solely to implement the Washington wine
23 brand campaign.

24 (10) The department shall consult with affected agricultural
25 industries before fees for fruit and vegetable inspections may be
26 raised. The consultation shall include a review of current inspection
27 services, the cost of providing those services, and the discontinuation
28 of unnecessary services.

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

31 Pollution Liability Insurance Program Trust
32 Account--State Appropriation \$861,000

(End of part)

PART IV
TRANSPORTATION

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

4	General Fund--State Appropriation (FY 2006)	\$1,886,000
5	General Fund--State Appropriation (FY 2007)	\$1,787,000
6	Architects' License Account--State Appropriation	\$728,000
7	Cemetery Account--State Appropriation	\$224,000
8	Professional Engineers' Account--State Appropriation	\$3,179,000
9	Real Estate Commission Account--State Appropriation	\$7,583,000
10	Master License Account--State Appropriation	\$11,593,000
11	Uniform Commercial Code Account--State Appropriation	\$2,936,000
12	Real Estate Education Account--State Appropriation	\$275,000
13	Real Estate Appraiser Commission	
14	Account--State Appropriation	\$1,345,000
15	Business and Professions Account--State Appropriation	\$7,927,000
16	Real Estate Research Account--State Appropriation	\$301,000
17	Wildlife Account--State Appropriation	\$13,000
18	Funeral Directors and Embalmers	
19	Account--State Appropriation	\$534,000
20	Geologists' Account--State Appropriation	\$34,000
21	Data Processing Revolving Account--State Appropriation	\$29,000
22	Derelict Vessel Removal Account--State Appropriation	\$31,000
23	TOTAL APPROPRIATION	\$40,405,000

(1) The appropriations in this section are subject to the following conditions and limitations: In accordance with RCW 43.24.086, it is the policy of the state of Washington that the cost of each professional, occupational, or business licensing program be fully borne by the members of that profession, occupation, or business. For each licensing program covered by RCW 43.24.086, the department shall set fees at levels sufficient to fully cover the cost of administering the licensing program, including any costs associated with policy enhancements funded in the 2005-07 fiscal biennium. Pursuant to RCW 43.135.055, during the 2005-07 fiscal biennium, the department may increase fees in excess of the fiscal growth factor if the increases are necessary to fully fund the costs of the licensing programs.

1 (2) \$7,685,000 of the business and professions account--state
 2 appropriation is subject to enactment of Substitute House Bill No. 1394
 3 (business and professions account). If the bill is not enacted by June
 4 30, 2005, the appropriations out of this account shall be made from the
 5 general fund.

6 (3) \$1,653,000 of the master license account--state appropriation
 7 is subject to enactment of House Bill No. 2131 (master licensing
 8 service). If the bill is not enacted by June 30, 2005, the amounts
 9 provided in this subsection shall lapse.

10 (4) \$34,000 of the general fund--state appropriation for fiscal
 11 year 2006 are subject to enactment of House Bill No. 1241 (vehicle
 12 licensing and registration). If the bill is not enacted by June 30,
 13 2005, the amount provided in this subsection shall lapse.

14 (5) \$180,000 of the real estate appraiser commission account--state
 15 appropriation is provided solely to implement Senate Bill No. 5274
 16 (real estate appraisers). If the bill is not enacted by June 30, 2005,
 17 the amount provided in this subsection shall lapse.

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

19	General Fund--State Appropriation (FY 2006)	\$36,089,000
20	General Fund--State Appropriation (FY 2007)	\$30,702,000
21	General Fund--Federal Appropriation	\$4,356,000
22	General Fund--Private/Local Appropriation	\$595,000
23	Death Investigations Account--State Appropriation	\$5,615,000
24	Public Safety and Education Account--State	
25	Appropriation	\$4,941,000
26	Enhanced 911 Account--State Appropriation	\$573,000
27	County Criminal Justice Assistance	
28	Account--State Appropriation	\$2,883,000
29	Municipal Criminal Justice Assistance	
30	Account--State Appropriation	\$1,154,000
31	Fire Service Trust Account--State Appropriation	\$131,000
32	Fire Service Training Account--State Appropriation	\$7,550,000
33	State Toxics Control Account--State Appropriation	\$468,000
34	Violence Reduction and Drug Enforcement	
35	Account--State Appropriation	\$313,000
36	Fingerprint Identification	
37	Account--State Appropriation	\$6,257,000

1	Disaster Response Account--State Appropriation	\$2,000
2	DNA Data Base Account--State Appropriation	\$150,000
3	Aquatic Invasive Species Prevention Account--State	
4	Appropriation	\$222,000
5	TOTAL APPROPRIATION	\$102,001,000

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

8 (1) \$200,000 of the fire service training account--state
9 appropriation is provided solely for two FTEs in the office of state
10 fire marshal to exclusively review K-12 construction documents for fire
11 and life safety in accordance with the state building code. It is the
12 intent of this appropriation to provide these services only to those
13 districts that are located in counties without qualified review
14 capabilities.

15 (2) \$222,000 of the aquatic invasive species prevention account--
16 state appropriation is provided solely for the implementation of
17 Engrossed Substitute Senate Bill No. 5699 (aquatic invasive species).
18 If the bill is not enacted by June 30, 2005, the amount provided in
19 this subsection shall lapse.

20 (3) \$250,000 of the general fund--state appropriation for fiscal
21 year 2006 is provided solely for the implementation of Engrossed House
22 Bill No. 1241 (vehicle licensing and registration). If the bill is not
23 enacted by June 30, 2005, the amount provided in this subsection shall
24 lapse.

(End of part)

PART V
EDUCATION

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

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2006)	\$12,946,000
General Fund--State Appropriation (FY 2007)	\$12,870,000
General Fund--Federal Appropriation	\$30,248,000
TOTAL APPROPRIATION	\$56,064,000

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 2006 and \$10,910,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2006 and \$428,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(c) \$509,000 of the general fund--state appropriation for fiscal year 2006 and \$504,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the Washington professional educator standards board. Within the

1 amounts provided in this subsection, the Washington professional
2 educator standards board shall pursue the implementation of recent
3 study recommendations including: (i) Revision of teacher mathematics
4 endorsement competencies and alignment of teacher tests to the updated
5 competencies, and (ii) development of mathematics specialist
6 endorsement.

7 (d) \$100,000 of the general fund--state appropriation for fiscal
8 year 2006 is provided solely for increased attorney general fees
9 related to *School Districts' Alliance for Adequate Funding of Special*
10 *Education et al. v. State of Washington et al.*, Thurston County
11 Superior Court Cause No. 04-2-02000-7.

12 (e) \$950,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$950,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for replacement of the
15 apportionment system, which includes the processes that collect school
16 district budget and expenditure information, staffing characteristics,
17 and the student enrollments that drive the funding process.

18 (f)(i) \$45,000 of the general fund--state appropriation for fiscal
19 year 2006 is provided solely for the office of the superintendent of
20 public instruction and the department of health to collaborate and
21 develop a work group to assess school nursing services in class I
22 school districts. The work group shall consult with representatives
23 from the following groups: School nurses, schools, students, parents,
24 teachers, health officials, and administrators. The work group shall:

25 (A) Study the need for additional school nursing services by
26 gathering data about current school nurse-to-student ratios in each
27 class I school district and assessing the demand for school nursing
28 services by acuity levels and the necessary skills to meet those
29 demands. The work group also shall recommend to the legislature best
30 practices in school nursing services, including a dedicated,
31 sustainable funding model that would best meet the current and future
32 needs of Washington's schools and contribute to greater academic
33 success of all students. The work group shall make recommendations for
34 school nursing services, and may examine school nursing services by
35 grade level. The work group shall assess whether funding for school
36 nurses should continue as part of basic education; and

37 (B) In collaboration with managed care plans that contract with the
38 department of social and health services medical assistance

1 administration to provide health services to children participating in
2 the medicaid and state children's health insurance program, identify
3 opportunities to improve coordination of and access to health services
4 for low-income children through the use of school nurse services. The
5 work group shall evaluate the feasibility of pooling school district
6 and managed care plan funding to finance school nurse positions in
7 school districts with high numbers of low-income children.

8 (ii) The office of superintendent of public instruction shall
9 report the work group's findings and plans for implementation to the
10 legislature by February 1, 2006.

11 (g) \$78,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$78,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely to provide direct services and
14 support to schools around an integrated, interdisciplinary approach to
15 instruction in conservation, natural resources, sustainability, and
16 human adaptation to the environment. Specific integration efforts will
17 focus on science, math, and the social sciences. Integration between
18 basic education and career and technical education, particularly
19 agricultural and natural sciences education, is to be a major element.

20 (2) STATEWIDE PROGRAMS

21	General Fund--State Appropriation (FY 2006)	\$10,192,000
22	General Fund--State Appropriation (FY 2007)	\$10,155,000
23	General Fund--Federal Appropriation	\$47,465,000
24	TOTAL APPROPRIATION	\$67,812,000

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

28 (a) HEALTH AND SAFETY

29 (i) A maximum of \$2,541,000 of the general fund--state
30 appropriation for fiscal year 2006 and a maximum of \$2,541,000 of the
31 general fund--state appropriation for fiscal year 2007 are provided for
32 a corps of nurses located at educational service districts, as
33 determined by the superintendent of public instruction, to be
34 dispatched to the most needy schools to provide direct care to
35 students, health education, and training for school staff.

36 (ii) A maximum of \$96,000 of the general fund--state appropriation
37 for fiscal year 2006 and a maximum of \$96,000 of the general fund--

1 state appropriation for fiscal year 2007 are provided for the school
2 safety center in the office of the superintendent of public instruction
3 subject to the following conditions and limitations:

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

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

16 (iii) A maximum of \$100,000 of the general fund--state
17 appropriation for fiscal year 2006 and a maximum of \$100,000 of the
18 general fund--state appropriation for fiscal year 2007 are provided for
19 a school safety training program provided by the criminal justice
20 training commission. The commission, in collaboration with the school
21 safety center advisory committee, shall provide the school safety
22 training for all school administrators and school safety personnel,
23 including school safety personnel hired after the effective date of
24 this section.

25 (iv) \$40,000 of the general fund--state appropriation is provided
26 solely for the safety center advisory committee to develop and
27 distribute a pamphlet to promote internet safety for children,
28 particularly in grades seven through twelve. The pamphlet shall be
29 posted on the superintendent of public instruction's web site. To the
30 extent possible, the pamphlet shall be distributed in schools
31 throughout the state and in other areas accessible to youth, including
32 but not limited to libraries and community centers.

33 (v) \$11,600,000 of the general fund--federal appropriation is
34 provided for safe and drug free schools and communities grants for drug
35 and violence prevention activities and strategies.

36 (vi) A maximum of \$146,000 of the general fund--state appropriation
37 for fiscal year 2006 and a maximum of \$146,000 of the general fund--
38 state appropriation for fiscal year 2007 are provided for a nonviolence

1 and leadership training program provided by the institute for community
2 leadership. The program shall provide a request for proposal process,
3 with up to 80 percent funding, for nonviolence leadership workshops
4 serving at least 12 school districts with direct programming in 36
5 elementary, middle, and high schools throughout Washington state.

6 (b) TECHNOLOGY

7 A maximum of \$1,939,000 of the general fund--state appropriation
8 for fiscal year 2006 and a maximum of \$1,939,000 of the general fund--
9 state appropriation for fiscal year 2007 are provided for K-20
10 telecommunications network technical support in the K-12 sector to
11 prevent system failures and avoid interruptions in school utilization
12 of the data processing and video-conferencing capabilities of the
13 network. These funds may be used to purchase engineering and advanced
14 technical support for the network.

15 (c) GRANTS AND ALLOCATIONS

16 (i) \$787,000 of the fiscal year 2006 appropriation and \$799,000 of
17 the fiscal year 2007 appropriation are provided solely for the special
18 services pilot projects. The office of the superintendent of public
19 instruction shall allocate these funds to the district or districts
20 participating in the pilot program according to the provisions of RCW
21 28A.630.015.

22 (ii) A maximum of \$548,000 of the general fund--state appropriation
23 for fiscal year 2006 and a maximum of \$548,000 of the general fund--
24 state appropriation for fiscal year 2007 are provided for alternative
25 certification routes. Funds may be used by the professional educator
26 standards board to continue existing alternative-route grant programs
27 and to create new alternative-route programs in regions of the state
28 with service shortages.

29 (iii) A maximum of \$31,000 of the general fund--state appropriation
30 for fiscal year 2006 and a maximum of \$31,000 of the general fund--
31 state appropriation for fiscal year 2007 are provided for operation of
32 the Cispus environmental learning center.

33 (iv) A maximum of \$1,224,000 of the general fund--state
34 appropriation for fiscal year 2006 and a maximum of \$1,224,000 of the
35 general fund--state appropriation for fiscal year 2007 are provided for
36 in-service training and educational programs conducted by the Pacific
37 Science Center.

1 (v) A maximum of \$1,079,000 of the general fund--state
2 appropriation for fiscal year 2006 and a maximum of \$1,079,000 of the
3 general fund--state appropriation for fiscal year 2007 are provided for
4 the Washington state leadership assistance for science education reform
5 (LASER) regional partnership coordinated at the Pacific Science Center.

6 (vi) A maximum of \$97,000 of the general fund--state appropriation
7 for fiscal year 2006 and a maximum of \$97,000 of the general fund--
8 state appropriation for fiscal year 2007 are provided to support
9 vocational student leadership organizations.

10 (vii) A maximum of \$146,000 of the general fund--state
11 appropriation for fiscal year 2006 and a maximum of \$146,000 of the
12 general fund--state appropriation for fiscal year 2007 are provided for
13 the Washington civil liberties education program.

14 (viii) \$1,000,000 of the general fund--state appropriation for
15 fiscal year 2006 and \$1,000,000 of the general fund--state
16 appropriation for fiscal year 2007 are provided solely for the
17 Washington state achievers scholarship program. The funds shall be
18 used to support community involvement officers that recruit, train, and
19 match community volunteer mentors with students selected as achievers
20 scholars.

21 (ix) \$1,521,000 of the general fund--federal appropriation is
22 provided for the advanced placement fee program to increase
23 opportunities for low-income students and under-represented populations
24 to participate in advanced placement courses and to increase the
25 capacity of schools to provide advanced placement courses to students.

26 (x) \$8,292,000 of the general fund--federal appropriation is
27 provided for comprehensive school reform demonstration projects to
28 provide grants to low-income schools for improving student achievement
29 through adoption and implementation of research-based curricula and
30 instructional programs.

31 (xi) \$19,587,000 of the general fund--federal appropriation is
32 provided for 21st century learning center grants, providing after-
33 school and inter-session activities for students.

34 (xii) \$383,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$294,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely for the Lorraine Wojahn dyslexia
37 pilot reading program in up to five school districts.

1 (xiii) \$75,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$75,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for developing and disseminating
4 curriculum and other materials documenting women's role in World War
5 II.

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

8	General Fund--State Appropriation (FY 2006)	\$4,180,957,000
9	General Fund--State Appropriation (FY 2007)	\$4,243,010,000
10	TOTAL APPROPRIATION	\$8,423,967,000

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

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

16 (2) Allocations for certificated staff salaries for the 2005-06 and
17 2006-07 school years shall be determined using formula-generated staff
18 units calculated pursuant to this subsection. Staff allocations for
19 small school enrollments in (d) through (f) of this subsection shall be
20 reduced for vocational full-time equivalent enrollments. Staff
21 allocations for small school enrollments in grades K-6 shall be the
22 greater of that generated under (a) of this subsection, or under (d)
23 and (e) of this subsection. Certificated staffing allocations shall be
24 as follows:

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

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

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

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

35 (iv) An additional 4.2 certificated instructional staff units for
36 grades K-3 and an additional 7.2 certificated instructional staff units

1 for grade 4. Any funds allocated for the additional certificated units
2 provided in this subsection (iv) shall not be considered as basic
3 education funding;

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

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

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

36 (b) For school districts with a minimum enrollment of 250 full-time
37 equivalent students whose full-time equivalent student enrollment count
38 in a given month exceeds the first of the month full-time equivalent

1 enrollment count by 5 percent, an additional state allocation of 110
2 percent of the share that such increased enrollment would have
3 generated had such additional full-time equivalent students been
4 included in the normal enrollment count for that particular month;

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (ii) For all other small high schools under this subsection, nine
23 certificated instructional staff units and one-half of a certificated
24 administrative staff unit for the first sixty average annual full time
25 equivalent students, and additional staff units based on a ratio of
26 0.8732 certificated instructional staff units and 0.1268 certificated
27 administrative staff units per each additional forty-three and one-half
28 average annual full time equivalent students.

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

33 (g) For each nonhigh school district having an enrollment of more
34 than seventy annual average full-time equivalent students and less than
35 one hundred eighty students, operating a grades K-8 program or a grades
36 1-8 program, an additional one-half of a certificated instructional
37 staff unit; and

1 (h) For each nonhigh school district having an enrollment of more
2 than fifty annual average full-time equivalent students and less than
3 one hundred eighty students, operating a grades K-6 program or a grades
4 1-6 program, an additional one-half of a certificated instructional
5 staff unit.

6 (3) Allocations for classified salaries for the 2005-06 and 2006-07
7 school years shall be calculated using formula-generated classified
8 staff units determined as follows:

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

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

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

20 (4) Fringe benefit allocations shall be calculated at a rate of
21 10.90 percent in the 2005-06 school year and 11.90 percent in the 2006-
22 07 school year for certificated salary allocations provided under
23 subsection (2) of this section, and a rate of 14.57 percent in the
24 2005-06 school year and 15.82 percent in the 2006-07 school year for
25 classified salary allocations provided under subsection (3) of this
26 section.

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

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

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

1 (6)(a) For nonemployee-related costs associated with each
2 certificated staff unit allocated under subsection (2)(a), (b), and (d)
3 through (h) of this section, there shall be provided a maximum of
4 \$9,112 per certificated staff unit in the 2005-06 school year and a
5 maximum of \$9,285 per certificated staff unit in the 2006-07 school
6 year.

7 (b) For nonemployee-related costs associated with each vocational
8 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
9 section, there shall be provided a maximum of \$22,377 per certificated
10 staff unit in the 2005-06 school year and a maximum of \$22,802 per
11 certificated staff unit in the 2006-07 school year.

12 (c) For nonemployee-related costs associated with each vocational
13 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
14 section, there shall be provided a maximum of \$17,362 per certificated
15 staff unit in the 2005-06 school year and a maximum of \$17,692 per
16 certificated staff unit in the 2006-07 school year.

17 (7) Allocations for substitute costs for classroom teachers shall
18 be distributed at a maintenance rate of \$531.09 for the 2005-06 and
19 2006-07 school years per allocated classroom teachers exclusive of
20 salary increase amounts provided in section 504 of this act. Solely
21 for the purposes of this subsection, allocated classroom teachers shall
22 be equal to the number of certificated instructional staff units
23 allocated under subsection (2) of this section, multiplied by the ratio
24 between the number of actual basic education certificated teachers and
25 the number of actual basic education certificated instructional staff
26 reported statewide for the prior school year.

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

36 (9) The superintendent may distribute a maximum of \$7,621,000
37 outside the basic education formula during fiscal years 2006 and 2007
38 as follows:

1 (a) For fire protection for school districts located in a fire
2 protection district as now or hereafter established pursuant to chapter
3 52.04 RCW, a maximum of \$513,000 may be expended in fiscal year 2006
4 and a maximum of \$523,000 may be expended in fiscal year 2007;

5 (b) For summer vocational programs at skills centers, a maximum of
6 \$2,035,000 may be expended for the 2006 fiscal year and a maximum of
7 \$2,035,000 for the 2007 fiscal year;

8 (c) A maximum of \$365,000 may be expended for school district
9 emergencies;

10 (d) A maximum of \$485,000 each fiscal year may be expended for
11 programs providing skills training for secondary students who are
12 enrolled in extended day school-to-work programs, as approved by the
13 superintendent of public instruction. The funds shall be allocated at
14 a rate not to exceed \$500 per full-time equivalent student enrolled in
15 those programs; and

16 (e) \$394,000 of the general fund--state appropriation for fiscal
17 year 2006 and \$787,000 of the general fund--state appropriation for
18 fiscal year 2007 are provided solely for incentive grants to encourage
19 school districts to increase enrollment in vocational skills centers.
20 Up to \$500 for each full-time equivalent student may be proportionally
21 distributed to a school district or school districts increasing skills
22 centers enrollment above the levels in the 2004-05 school year. The
23 office of the superintendent of public instruction shall develop
24 criteria for awarding incentive grants pursuant to this subsection.
25 The total amount allocated pursuant to this subsection shall be limited
26 to \$1,181,000 for the 2005-07 biennium.

27 (10) For purposes of RCW 84.52.0531, the increase per full-time
28 equivalent student is 5.2 percent from the 2004-05 school year to the
29 2005-06 school year and 3.4 percent from the 2005-06 school year to the
30 2006-07 school year.

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

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

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

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

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

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

23 (2) For the purposes of this section:

24 (a) "LEAP Document 1Sb" means the computerized tabulation
25 establishing staff mix factors for certificated instructional staff
26 according to education and years of experience, as developed by the
27 legislative evaluation and accountability program committee on March
28 18, 2005, at 10:00 hours; and

29 (b) "LEAP Document 12E" means the computerized tabulation of 2005-
30 06 and 2006-07 school year salary allocations for certificated
31 administrative staff and classified staff and derived and total base
32 salaries for certificated instructional staff as developed by the
33 legislative evaluation and accountability program committee on April 6,
34 2005, at 10:00 hours.

35 (3) Incremental fringe benefit factors shall be applied to salary
36 adjustments at a rate of 10.26 percent for school year 2005-06 and

1 11.26 percent for school year 2006-07 for certificated staff and for
 2 classified staff 11.07 percent for school year 2005-06 and 12.32
 3 percent for the 2006-07 school year.

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

7 K-12 Salary Allocation Schedule For Certificated Instructional Staff
 8 2005-06 School Year

9	Years of									MA+90
10	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD
11	0	30,383	31,204	32,054	32,906	35,640	37,401	36,426	39,161	40,924
12	1	30,792	31,624	32,485	33,375	36,137	37,889	36,831	39,594	41,345
13	2	31,181	32,022	32,892	33,850	36,605	38,375	37,239	39,994	41,764
14	3	31,583	32,431	33,311	34,299	37,049	38,861	37,626	40,373	42,187
15	4	31,977	32,862	33,747	34,770	37,536	39,361	38,031	40,796	42,623
16	5	32,384	33,273	34,167	35,247	38,002	39,864	38,442	41,199	43,061
17	6	32,802	33,672	34,596	35,729	38,472	40,344	38,864	41,607	43,478
18	7	33,536	34,420	35,356	36,551	39,334	41,258	39,655	42,437	44,362
19	8	34,612	35,543	36,502	37,796	40,616	42,611	40,899	43,720	45,714
20	9		36,707	37,713	39,054	41,940	44,002	42,156	45,044	47,106
21	10			38,938	40,376	43,301	45,432	43,479	46,405	48,535
22	11				41,737	44,726	46,900	44,840	47,830	50,003
23	12				43,055	46,189	48,428	46,255	49,292	51,532
24	13					47,688	49,993	47,720	50,791	53,096
25	14					49,194	51,618	49,227	52,396	54,721
26	15					50,474	52,961	50,507	53,758	56,144
27	16 or more					51,483	54,019	51,517	54,833	57,266

28 K-12 Salary Allocation Schedule For Certificated Instructional Staff
 29 2006-07 School Year

30	Years of									MA+90
31	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD
32	0	30,900	31,735	32,599	33,466	36,247	38,038	37,046	39,827	41,620
33	1	31,316	32,162	33,038	33,942	36,752	38,534	37,458	40,268	42,048
34	2	31,712	32,566	33,451	34,426	37,228	39,028	37,873	40,674	42,475

1	3	32,121	32,983	33,878	34,883	37,679	39,523	38,266	41,060	42,905
2	4	32,521	33,421	34,321	35,362	38,174	40,031	38,678	41,491	43,348
3	5	32,935	33,840	34,748	35,846	38,649	40,543	39,097	41,900	43,794
4	6	33,360	34,245	35,185	36,337	39,127	41,031	39,526	42,315	44,218
5	7	34,107	35,005	35,957	37,173	40,003	41,960	40,330	43,159	45,116
6	8	35,201	36,148	37,123	38,439	41,307	43,336	41,594	44,464	46,492
7	9		37,332	38,355	39,718	42,654	44,751	42,873	45,810	47,908
8	10			39,601	41,063	44,038	46,205	44,219	47,194	49,361
9	11				42,448	45,487	47,698	45,603	48,644	50,853
10	12				43,788	46,975	49,252	47,042	50,131	52,409
11	13					48,499	50,844	48,532	51,655	54,000
12	14					50,031	52,496	50,065	53,287	55,652
13	15					51,333	53,862	51,366	54,673	57,099
14	16 or more					52,359	54,938	52,393	55,766	58,241

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

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

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

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

25 (5) For the purposes of this section:

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

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

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

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

31 (e) "Credits" means college quarter hour credits and equivalent in-
32 service credits computed in accordance with RCW 28A.415.020 and
33 28A.415.023.

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

- 1 (a) The employee has a masters degree; or
- 2 (b) The credits were used in generating state salary allocations
- 3 before January 1, 1992.

4 (7) The certificated instructional staff base salary specified for
 5 each district in LEAP Document 12E and the salary schedules in
 6 subsection (4)(a) of this section include two learning improvement
 7 days. A school district is eligible for the learning improvement day
 8 funds only if the learning improvement days have been added to the 180-
 9 day contract year. If fewer days are added, the additional learning
 10 improvement allocation shall be adjusted accordingly. The additional
 11 days shall be limited to specific activities identified in the state
 12 required school improvement plan related to improving student learning
 13 that are consistent with education reform implementation, and shall not
 14 be considered part of basic education. The principal in each school
 15 shall assure that the days are used to provide the necessary school-
 16 wide, all staff professional development that is tied directly to the
 17 school improvement plan. The school principal and the district
 18 superintendent shall maintain documentation as to their approval of
 19 these activities. The length of a learning improvement day shall not
 20 be less than the length of a full day under the base contract. The
 21 superintendent of public instruction shall ensure that school districts
 22 adhere to the intent and purposes of this subsection.

23 (8) The salary allocation schedules established in this section are
 24 for allocation purposes only except as provided in RCW 28A.400.200(2)
 25 and subsection (7) of this section.

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

28	General Fund--State Appropriation (FY 2006)	\$73,981,000
29	General Fund--State Appropriation (FY 2007)	\$186,968,000
30	Education Legacy Trust Account--State Appropriation	\$470,000
31	General Fund--Federal Appropriation	\$864,000
32	TOTAL APPROPRIATION	\$262,283,000

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

- 35 (1) \$135,669,000 is provided for a cost of living adjustment of 1.2
- 36 percent effective September 1, 2005, and another 1.7 percent effective
- 37 September 1, 2006, for state formula staff units. The appropriations

1 include associated incremental fringe benefit allocations at rates of
 2 10.26 percent for the 2005-06 school year and 11.26 percent for the
 3 2006-07 school year for certificated staff and 11.07 percent for the
 4 2005-06 school year and 12.32 percent for the 2006-07 school year for
 5 classified staff.

6 (a) The appropriations in this section include the increased
 7 portion of salaries and incremental fringe benefits for all relevant
 8 state-funded school programs in part V of this act. Increases for
 9 general apportionment (basic education) are based on the salary
 10 allocation schedules and methodology in sections 502 and 503 of this
 11 act. Increases for special education result from increases in each
 12 district's basic education allocation per student. Increases for
 13 educational service districts and institutional education programs are
 14 determined by the superintendent of public instruction using the
 15 methodology for general apportionment salaries and benefits in sections
 16 502 and 503 of this act.

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

	School Year	
	2005-06	2006-07
20		
21		
22	\$0.28	\$0.68
23	\$2.96	\$7.26
24	\$7.92	\$19.44
25	\$1.69	\$4.14

26 (c) The appropriations in this section include \$251,000 for fiscal
 27 year 2006 and \$676,000 for fiscal year 2007 for salary increase
 28 adjustments for substitute teachers.

29 (2) \$126,614,000 is provided for adjustments to insurance benefit
 30 allocations. The maintenance rate for insurance benefit allocations is
 31 \$582.47 per month for the 2005-06 and 2006-07 school years. The
 32 appropriations in this section provide for a rate increase to \$629.07
 33 per month for the 2005-06 school year and \$679.39 per month for the
 34 2006-07 school year. The adjustments to health insurance benefit
 35 allocations are at the following rates:

	School Year	
	2005-06	2006-07
Pupil Transportation (per weighted pupil mile)	\$0.42	\$0.88
Highly Capable (per formula student)	\$2.89	\$5.97
Transitional Bilingual Education (per eligible bilingual student)	\$7.54	\$15.69
Learning Assistance (per formula student)	\$1.49	\$3.11

(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 2006)	\$242,170,000
General Fund--State Appropriation (FY 2007)	\$248,575,000
TOTAL APPROPRIATION	\$490,745,000

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

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

(2) A maximum of \$796,000 of this fiscal year 2006 appropriation and a maximum of \$812,000 of the fiscal year 2007 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 2006 appropriation and \$5,000 of the fiscal year 2007 appropriation are provided solely for the transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of \$41.51 per weighted mile in the 2005-06 school year and \$42.01 per weighted mile in the 2006-07 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one

1 radius mile shall be based on weighted miles as determined by
2 superintendent of public instruction multiplied by the per mile
3 reimbursement rates for the school year pursuant to the formulas
4 adopted by the superintendent of public instruction. Allocations for
5 transportation of students living within one radius mile shall be based
6 on the number of enrolled students in grades kindergarten through five
7 living within one radius mile of their assigned school multiplied by
8 the per mile reimbursement rate for the school year multiplied by 1.29.

9 (5) For busses purchased between July 1, 2005, and June 30, 2007,
10 the office of superintendent of public instruction shall provide
11 reimbursement funding to a school district only after the
12 superintendent of public instruction determines that the school bus was
13 purchased from the list established pursuant to RCW 28A.160.195(2) or
14 a comparable competitive bid process based on the lowest price quote
15 based on similar bus categories to those used to establish the list
16 pursuant to RCW 28A.160.195. The competitive specifications shall meet
17 federal motor vehicle safety standards, minimum state specifications as
18 established by rule by the superintendent, and supported options as
19 determined by the superintendent in consultation with the regional
20 transportation coordinators of the educational service districts.

21 (6) Beginning with the 2005-06 school year, the superintendent of
22 public instruction shall base depreciation payments for school district
23 buses on the five-year average of lowest bids in the appropriate
24 category of bus. In the final year on the depreciation schedule, the
25 depreciation payment shall be based on the current state price. The
26 superintendent may include a weighting or other adjustment factor in
27 the averaging formula to ease the transition from the current-price
28 depreciation system to the average depreciation system. Prior to
29 making any depreciation payment in the 2005-06 school year, the
30 superintendent shall notify the office of financial management and the
31 fiscal committees of the legislature of the specific depreciation
32 formula to be used. The replacement cost shall be based on the lowest
33 bid in the appropriate bus category for that school year. A maximum of
34 \$50,000 of the fiscal year 2006 appropriation may be expended for
35 software programming costs associated with the implementation of this
36 subsection.

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

3	General Fund--State Appropriation (FY 2006)	\$3,147,000
4	General Fund--State Appropriation (FY 2007)	\$3,159,000
5	General Fund--Federal Appropriation	\$288,774,000
6	TOTAL APPROPRIATION	\$295,080,000

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

9 (1) \$3,000,000 of the general fund--state appropriation for fiscal
10 year 2006 and \$3,000,000 of the general fund--state appropriation for
11 fiscal year 2007 are provided for state matching money for federal
12 child nutrition programs.

13 (2) \$100,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$100,000 of the 2007 fiscal year appropriation are
15 provided for summer food programs for children in low-income areas.

16 (3) \$47,000 of the general fund--state appropriation for fiscal
17 year 2006 and \$59,000 of the general fund--state appropriation for
18 fiscal year 2007 are provided solely to reimburse school districts for
19 school breakfasts served to students enrolled in the free or reduced
20 price meal program pursuant to House Bill No. 1771 (requiring school
21 breakfast programs in certain schools). If House Bill No. 1771 is not
22 enacted by June 30, 2005, the amounts provided in this subsection shall
23 lapse.

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

26	General Fund--State Appropriation (FY 2006)	\$460,032,000
27	General Fund--State Appropriation (FY 2007)	\$471,961,000
28	General Fund--Federal Appropriation	\$435,464,000
29	TOTAL APPROPRIATION	\$1,367,457,000

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

32 (1) Funding for special education programs is provided on an excess
33 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
34 that special education students as a class receive their full share of
35 the general apportionment allocation accruing through sections 502 and
36 504 of this act. To the extent a school district cannot provide an
37 appropriate education for special education students under chapter

1 28A.155 RCW through the general apportionment allocation, it shall
2 provide services through the special education excess cost allocation
3 funded in this section.

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

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

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

11 (iii) Special education students are basic education students for
12 the entire school day.

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

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

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

27 (5)(a) For the 2005-06 and 2006-07 school years, the superintendent
28 shall make allocations to each district based on the sum of:

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

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

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

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

7 (a) "Annual average full-time equivalent basic education
8 enrollment" means the resident enrollment including students enrolled
9 through choice (RCW 28A.225.225) and students from nonhigh districts
10 (RCW 28A.225.210) and excluding students residing in another district
11 enrolled as part of an interdistrict cooperative program (RCW
12 28A.225.250).

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

17 Each district's general fund--state funded special education
18 enrollment shall be the lesser of the district's actual enrollment
19 percent or 12.7 percent.

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

29 (8) To the extent necessary, \$18,940,000 of the general fund--state
30 appropriation and \$28,698,000 of the general fund--federal
31 appropriation are provided for safety net awards for districts with
32 demonstrated needs for special education funding beyond the amounts
33 provided in subsection (5) of this section. If safety net awards
34 exceed the amount appropriated in this subsection (8), the
35 superintendent shall expend all available federal discretionary funds
36 necessary to meet this need. Safety net funds shall be awarded by the
37 state safety net oversight committee subject to the following
38 conditions and limitations:

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

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

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

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

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

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

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

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

31 (b) Staff of the office of the state auditor who shall be nonvoting
32 members of the committee; and

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

36 (11) A maximum of \$678,000 may be expended from the general fund--
37 state appropriations to fund 5.43 full-time equivalent teachers and 2.1

1 full-time equivalent aides at children's orthopedic hospital and
2 medical center. This amount is in lieu of money provided through the
3 home and hospital allocation and the special education program.

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

10 (13) A maximum of \$100,000 of the general fund--federal
11 appropriation shall be expended to create a special education ombudsman
12 program within the office of superintendent of public instruction. The
13 purpose of the program is to provide support to parents, guardians,
14 educators, and students with disabilities. The program will provide
15 information to help families and educators understand state laws,
16 rules, and regulations, and access training and support, technical
17 information services, and mediation services. The ombudsman program
18 will provide data, information, and appropriate recommendations to the
19 office of superintendent of public instruction, school districts,
20 educational service districts, state need projects, and the parent and
21 teacher information center.

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

28 (15) A maximum of \$1,200,000 of the general fund--federal
29 appropriation may be expended by the superintendent for projects
30 related to use of inclusion strategies by school districts for
31 provision of special education services.

32 (16) \$1,400,000 of the general fund--federal appropriation shall be
33 expended for one-time grants to school districts for the start-up costs
34 of implementing web-based programs that assist schools in meeting state
35 and federal requirements regarding individualized education plans.

36 (17) The superintendent, consistent with the new federal IDEA
37 reauthorization, shall continue to educate school districts on how to

1 implement a birth-to-three program and review the cost effectiveness
2 and learning benefits of early intervention.

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

7 NEW SECTION. **Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC**
8 **INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS**

9	General Fund--State Appropriation (FY 2006)	\$3,694,000
10	General Fund--State Appropriation (FY 2007)	\$3,724,000
11	TOTAL APPROPRIATION	\$7,418,000

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

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

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

25 NEW SECTION. **Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC**
26 **INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE**

27	General Fund--State Appropriation (FY 2006)	\$174,465,000
28	General Fund--State Appropriation (FY 2007)	\$182,702,000
29	TOTAL APPROPRIATION	\$357,167,000

30 NEW SECTION. **Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC**
31 **INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS**

32	General Fund--State Appropriation (FY 2006)	\$19,084,000
33	General Fund--State Appropriation (FY 2007)	\$19,673,000
34	TOTAL APPROPRIATION	\$38,757,000

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

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

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

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

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

18 (5) \$219,000 of the general fund--state appropriation for fiscal
19 year 2006 and \$219,000 of the general fund--state appropriation for
20 fiscal year 2007 are provided solely to maintain at least one
21 certificated instructional staff and related support services at an
22 institution whenever the K-12 enrollment is not sufficient to support
23 one full-time equivalent certificated instructional staff to furnish
24 the educational program. The following types of institutions are
25 included: Residential programs under the department of social and
26 health services for developmentally disabled juveniles, programs for
27 juveniles under the department of corrections, and programs for
28 juveniles under the juvenile rehabilitation administration.

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

31 NEW SECTION. **Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

33	General Fund--State Appropriation (FY 2006)	\$6,860,000
34	General Fund--State Appropriation (FY 2007)	\$6,926,000
35	TOTAL APPROPRIATION	\$13,786,000

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

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of \$347.24 per funded student for the 2005-06 school year and \$349.48 per funded student for the 2006-07 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

(3) \$170,000 of the fiscal year 2006 appropriation and \$170,000 of the fiscal year 2007 appropriation are provided for the centrum program at Fort Worden state park.

(4) \$90,000 of the fiscal year 2006 appropriation and \$90,000 of the fiscal year 2007 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation \$22,084,000

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2006) \$43,076,000

General Fund--State Appropriation (FY 2007) \$40,427,000

General Fund--Federal Appropriation \$123,345,000

TOTAL APPROPRIATION \$206,848,000

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

(1) ASSESSMENT

\$19,810,000 of the general fund--state appropriation for fiscal year 2006, \$16,105,000 of the general fund--state appropriation for fiscal year 2007, and \$16,111,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington assessments of student learning (WASL), including development and implementation of retake assessments for high school students who are not successful in one or more content areas of the

1 WASL and development of alternative assessments or appeals procedures
2 to implement the certificate of academic achievement. Within these
3 amounts, the superintendent of public instruction shall contract for
4 the early return of 10th grade student WASL results, on or around June
5 10th of each year.

6 (2) PROFESSIONAL DEVELOPMENT

7 (a) \$548,000 of the fiscal year 2006 general fund--state
8 appropriation and \$548,000 of the fiscal year 2007 general fund--state
9 appropriation are provided solely for training of paraprofessional
10 classroom assistants and certificated staff who work with classroom
11 assistants as provided in RCW 28A.415.310.

12 (b) \$2,348,000 of the general fund--state appropriation for fiscal
13 year 2006 and \$2,348,000 of the general fund--state appropriation for
14 fiscal year 2007 are provided solely for mentor teacher assistance,
15 including state support activities, under RCW 28A.415.250 and
16 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
17 this subsection may be used each fiscal year to operate a mentor
18 academy to help districts provide effective training for peer mentors.
19 Funds for the teacher assistance program shall be allocated to school
20 districts based on the number of first year beginning teachers.

21 (c) \$705,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$705,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely for the leadership internship
24 program for superintendents, principals, and program administrators.

25 (d) \$3,010,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$4,018,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely for salary bonuses for teachers
28 who attain certification by the national board for professional
29 teaching standards, subject to the following conditions and
30 limitations:

31 (i) Teachers who hold a valid certificate from the national board
32 during the 2005-06 or 2006-07 school years shall receive an annual
33 bonus not to exceed \$3,500 in each of these school years in which they
34 hold a national board certificate.

35 (ii) The annual bonus shall be paid in a lump sum amount and shall
36 not be included in the definition of "earnable compensation" under RCW
37 41.32.010(10).

1 (e) \$90,399,000 of the general fund--federal appropriation is
2 provided for preparing, training, and recruiting high quality teachers
3 and principals under Title II of the no child left behind act.

4 (3) SCHOOL IMPROVEMENT

5 (a) \$338,000 of the general fund--state appropriation for fiscal
6 year 2006 and \$338,000 of the general fund--state appropriation for
7 fiscal year 2007 are provided solely for a principal support program.
8 The office of the superintendent of public instruction may contract
9 with an independent organization to administer the program. The
10 program shall include: (i) Development of an individualized
11 professional growth plan for a new principal or principal candidate;
12 and (ii) participation of a mentor principal who works over a period of
13 between one and three years with the new principal or principal
14 candidate to help him or her build the skills identified as critical to
15 the success of the professional growth plan. Within the amounts
16 provided, \$25,000 per year shall be used to support additional
17 participation of secondary principals.

18 (b) \$3,046,000 of the general fund--state appropriation for fiscal
19 year 2006 and \$3,046,000 of the general fund--state appropriation for
20 fiscal year 2007 are provided solely to the office of the
21 superintendent of public instruction for focused assistance. The
22 office of the superintendent of public instruction shall conduct
23 educational audits of low-performing schools and enter into performance
24 agreements between school districts and the office to implement the
25 recommendations of the audit and the community. Each educational audit
26 shall include recommendations for best practices and ways to address
27 identified needs and shall be presented to the community in a public
28 meeting to seek input on ways to implement the audit and its
29 recommendations.

30 (c) \$1,000,000 of the general fund--state appropriation for fiscal
31 year 2006 and \$1,000,000 of the general fund--state appropriation for
32 fiscal year 2007 are provided solely for a high school and school
33 district improvement program modeled after the office of the
34 superintendent of public instruction's existing focused assistance
35 program in (b) of this subsection. The state funding for this
36 improvement program will match an equal amount committed by a nonprofit
37 foundation in furtherance of a jointly funded program.

1 (d) A maximum of \$250,000 of the general fund--state appropriation
2 for fiscal year 2006 and a maximum of \$250,000 of the general fund--
3 state appropriation for fiscal year 2007 are provided for summer
4 accountability institutes offered by the superintendent of public
5 instruction. The institutes shall provide school district staff with
6 training in the analysis of student assessment data, information
7 regarding successful district and school teaching models, research on
8 curriculum and instruction, and planning tools for districts to improve
9 instruction in reading, mathematics, language arts, social studies,
10 including civics, and guidance and counseling. The superintendent of
11 public instruction shall emphasize issues of high school reform and
12 mathematics instruction when offering summer institute programs
13 supported by funds provided in this subsection.

14 (e) \$515,000 of the general fund--state appropriation for fiscal
15 year 2006 and \$515,000 of the general fund--state appropriation for
16 fiscal year 2007 are provided for the evaluation of reading and
17 mathematics textbooks, other instructional materials, and diagnostic
18 tools to determine the extent to which they are aligned with the state
19 standards. A scorecard of the analysis shall be made available to
20 school districts. The superintendent shall also develop and
21 disseminate information on essential components of comprehensive,
22 school-based math and reading programs and shall develop and
23 disseminate grade level expectations for reading and math which shall
24 include professional development modules and web-based materials.

25 (f) \$1,764,000 of the general fund--state appropriation for fiscal
26 year 2006 and \$1,764,000 of the general fund--state appropriation for
27 fiscal year 2007 are provided solely for the mathematics helping corps
28 subject to the following conditions and limitations:

29 (i) In order to increase the availability and quality of technical
30 mathematics assistance statewide, the superintendent of public
31 instruction shall employ mathematics school improvement specialists to
32 provide assistance to schools and districts. The specialists shall be
33 hired by and work under the direction of a statewide school improvement
34 coordinator. The mathematics improvement specialists shall not be
35 permanent employees of the superintendent of public instruction.

36 (ii) The school improvement specialists shall provide the
37 following:

1 (A) Assistance to schools to disaggregate student performance data
2 and develop improvement plans based on those data;

3 (B) Consultation with schools and districts concerning their
4 performance on the Washington assessment of student learning and other
5 assessments emphasizing the performance on the mathematics assessments;

6 (C) Consultation concerning curricula that aligns with the
7 essential academic learning requirements emphasizing the academic
8 learning requirements for mathematics, the Washington assessment of
9 student learning, and meets the needs of diverse learners;

10 (D) Assistance in the identification and implementation of
11 research-based instructional practices in mathematics;

12 (E) Staff training that emphasizes effective instructional
13 strategies and classroom-based assessment for mathematics;

14 (F) Assistance in developing and implementing family and community
15 involvement programs emphasizing mathematics; and

16 (G) Other assistance to schools and school districts intended to
17 improve student mathematics learning.

18 (g) \$125,000 of the general fund--state appropriation for fiscal
19 year 2006 and \$125,000 of the general fund--state appropriation for
20 fiscal year 2007 are provided solely for the improvement of reading
21 achievement and implementation of research-based reading models. The
22 superintendent shall evaluate reading curriculum programs and other
23 instructional materials to determine the extent to which they are
24 aligned with state standards. A report of the analyses shall be made
25 available to school districts. The superintendent shall report to
26 districts the assessments that are available to screen and diagnose
27 reading difficulties, and shall provide training on how to implement a
28 reading assessment system. Resources may also be used to disseminate
29 grade level expectations and develop professional development modules
30 and web-based materials.

31 (h) \$16,758,000 of the general fund--federal appropriation is
32 provided for the reading first program under Title I of the no child
33 left behind act.

34 (4) STUDENT SUPPORTS

35 (a) \$2,500,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$2,500,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely for the meals for kids program
38 under RCW 28A.235.145 through 28A.235.155.

1 (b) \$125,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$125,000 of the general fund--state appropriation for
3 fiscal year 2007 are provided solely for an early reading grant program
4 for community-based initiatives that develop prereading and early
5 reading skills through parental and community involvement, public
6 awareness, coordination of resources, and partnerships with local
7 school districts. Grant awards shall include funding for one-time
8 start up costs for local affiliates and a one-time partial payment of
9 school district dues to local affiliates of up to 30 percent of the per
10 student dues amount. Grant applications shall include:

11 (i) Strategies for parental involvement emphasizing ages birth to
12 five and outreach to diverse communities;

13 (ii) Evidence of collaboration with, and support from, local school
14 districts, and how the activities funded in the grant are complementary
15 to the reading improvement efforts of local school districts;

16 (iii) A plan for community participation and coordination of
17 resources including in-kind and financial support by public and private
18 sector partners;

19 (iv) Measurable goals and evaluation methodology to determine
20 impact;

21 (v) Integration of reading strategies from the Washington state
22 early learning and development benchmarks;

23 (vi) A plan for marketing and public relations;

24 (vii) Strategies for sustaining the program when grant funding is
25 no longer available; and

26 (viii) Evidence of district commitment to reading improvement,
27 aligned curriculum, progress monitoring, and time-on-task.

28 (c) \$850,000 of the general fund--state appropriation for fiscal
29 year 2006 and \$850,000 of the general fund--state appropriation for
30 fiscal year 2007 are provided solely for the Washington reading corps.
31 The superintendent shall allocate reading corps members to low-
32 performing schools and school districts that are implementing
33 comprehensive, proven, research-based reading programs. Two or more
34 schools may combine their Washington reading corps programs. Grants
35 provided under this section may be used by school districts for
36 expenditures from September 2005 through August 31, 2007.

37 (d) \$3,594,000 of the general fund--state appropriation for fiscal
38 year 2006 and \$3,594,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely for grants to school districts to
 2 provide a continuum of care for children and families to help children
 3 become ready to learn. Grant proposals from school districts shall
 4 contain local plans designed collaboratively with community service
 5 providers. If a continuum of care program exists in the area in which
 6 the school district is located, the local plan shall provide for
 7 coordination with existing programs to the greatest extent possible.
 8 Grant funds shall be allocated pursuant to RCW 70.190.040.

9 (5) TECHNOLOGY

10 (a) \$1,959,000 of the general fund--state appropriation for fiscal
 11 year 2006 and \$1,959,000 of the general fund--state appropriation for
 12 fiscal year 2007 are provided solely for improving technology
 13 infrastructure, monitoring and reporting on school district technology
 14 development, promoting standards for school district technology,
 15 promoting statewide coordination and planning for technology
 16 development, and providing regional educational technology support
 17 centers, including state support activities, under chapter 28A.650 RCW.
 18 The superintendent of public instruction shall coordinate a process to
 19 facilitate the evaluation and provision of online curriculum courses to
 20 school districts which includes the following: Creation of a general
 21 listing of the types of available online curriculum courses; a survey
 22 conducted by each regional educational technology support center of
 23 school districts in its region regarding the types of online curriculum
 24 courses desired by school districts; a process to evaluate and
 25 recommend to school districts the best online courses in terms of
 26 curriculum, student performance, and cost; and assistance to school
 27 districts in procuring and providing the courses to students.

28 (b) \$126,000 of the general fund--state appropriation for fiscal
 29 year 2006 and \$126,000 of the general fund--state appropriation for
 30 fiscal year 2007 are provided for the development and posting of web-
 31 based instructional tools, assessment data, and other information that
 32 assists schools and teachers implementing higher academic standards.

33 NEW SECTION. **Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC**
 34 **INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

35	General Fund--State Appropriation (FY 2006)	\$59,673,000
36	General Fund--State Appropriation (FY 2007)	\$63,535,000
37	General Fund--Federal Appropriation	\$45,561,000

1 TOTAL APPROPRIATION \$168,769,000

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

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

7 (2) The superintendent shall distribute a maximum of \$757.72 per
8 eligible bilingual student in the 2005-06 school year and \$763.70 in
9 the 2006-07 school year, exclusive of salary and benefit adjustments
10 provided in section 504 of this act.

11 (3) The superintendent may withhold up to 1.5 percent of the school
12 year allocations to school districts in subsection (2) of this section,
13 and adjust the per eligible pupil rates in subsection (2) of this
14 section accordingly, solely for the central provision of assessments as
15 provided in RCW 28A.180.090 (1) and (2).

16 (4) \$70,000 of the amounts appropriated in this section are
17 provided solely to develop a system for the tracking of current and
18 former transitional bilingual program students.

19 (5) The general fund--federal appropriation in this section is
20 provided for migrant education under Title I Part C and English
21 language acquisition, and language enhancement grants under Title III
22 of the elementary and secondary education act.

23 **NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC**
24 **INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

25	General Fund--State Appropriation (FY 2006)	\$65,434,000
26	General Fund--State Appropriation (FY 2007)	\$65,367,000
27	Education Legacy Trust Account--State Appropriation	\$24,605,000
28	General Fund--Federal Appropriation	\$343,227,000
29	TOTAL APPROPRIATION	\$498,633,000

30 (1) The general fund--state and education legacy trust account
31 appropriations in this section are subject to the following conditions
32 and limitations:

33 (a) The appropriations include such funds as are necessary to
34 complete the school year ending in the fiscal year and for prior fiscal
35 year adjustments.

36 (b) Funding for school district learning assistance programs shall
37 be allocated at maximum rates of \$184.29 per funded student for the

1 2005-06 school year and \$186.03 per funded student for the 2006-07
2 school year exclusive of salary and benefit adjustments provided under
3 section 504 of this act.

4 (c) A school district's funded students for the learning assistance
5 program shall be the sum of the following as appropriate:

6 (i) The district's full-time equivalent enrollment in grades K-12
7 for the prior school year multiplied by the district's percentage of
8 October headcount enrollment in grades K-12 eligible for free or
9 reduced price lunch in the prior school year; and

10 (ii) If, in the prior school year, the district's percentage of
11 October headcount enrollment in grades K-12 eligible for free or
12 reduced price lunch exceeded forty percent, subtract forty percent from
13 the district's percentage and multiply the result by the district's K-
14 12 annual average full-time equivalent enrollment for the prior school
15 year.

16 (d) In addition to amounts allocated in (b) and (c) of this
17 subsection, an additional amount shall be allocated to a school
18 district for each school year in which the district's allocation is
19 less than the amount the district received for the general fund--state
20 learning assistance program allocation in the 2004-05 school year. The
21 amount of the allocation in this section shall be sufficient to
22 maintain the 2004-05 school year allocation.

23 (2) Increases in a school district's allocation above the 2004-05
24 school year level shall be directed to grades nine through twelve.
25 Districts are encouraged to offer remediation courses in the summer for
26 students who fail the tenth grade WASL.

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

30 (4) Small school districts are encouraged to make the most
31 efficient use of the funding provided by using regional educational
32 service district cooperatives to hire staff, provide professional
33 development activities, and implement reading and mathematics programs
34 consistent with research-based guidelines provided by the office of the
35 superintendent of public instruction.

36 (5) A school district may carry over from one year to the next up
37 to 10 percent of the general fund--state or education legacy trust

1 funds allocated under this program; however, carryover funds shall be
2 expended for the learning assistance program.

3 (6) School districts are encouraged to coordinate the use of these
4 funds with other federal, state, and local sources to serve students
5 who are below grade level and to make efficient use of resources in
6 meeting the needs of students with the greatest academic deficits.

7 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
8 **INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM**

9 Student Achievement Account--State Appropriation \$629,356,000

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

12 (1) Funding for school district student achievement programs shall
13 be allocated at a maximum rate of \$300.00 per FTE student for the 2005-
14 06 school year and \$375.00 per FTE student for the 2006-07 school year.
15 For the purposes of this section, FTE student refers to the annual
16 average full-time equivalent enrollment of the school district in
17 grades kindergarten through twelve for the prior school year, as
18 reported to the office of the superintendent of public instruction by
19 August 31st of the previous school year.

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

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

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

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

32 (d) To provide additional professional development for educators
33 including additional paid time for curriculum and lesson redesign and
34 alignment, training to ensure that instruction is aligned with state
35 standards and student needs, reimbursement for higher education costs
36 related to enhancing teaching skills and knowledge, and mentoring
37 programs to match teachers with skilled, master teachers. The funding

1 shall not be used for salary increases or additional compensation for
2 existing teaching duties, but may be used for extended year and
3 extended day teaching contracts;

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

6 (f) To provide improvements or additions to school building
7 facilities which are directly related to the class size reductions and
8 extended learning opportunities under (a) through (c) of this
9 subsection (2).

10 (3) The superintendent of public instruction shall distribute the
11 school year allocation according to the monthly apportionment schedule
12 defined in RCW 28A.510.250.

13 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
14 **ADJUSTMENTS.** State general fund and state student achievement fund
15 appropriations provided to the superintendent of public instruction for
16 state entitlement programs in the public schools in this part V of this
17 act may be expended as needed by the superintendent for adjustments to
18 apportionment for prior fiscal periods. Recoveries of state general
19 fund moneys from school districts and educational service districts for
20 a prior fiscal period shall be made as reductions in apportionment
21 payments for the current fiscal period and shall be shown as prior year
22 adjustments on apportionment reports for the current period. Such
23 recoveries shall not be treated as revenues to the state, but as a
24 reduction in the amount expended against the appropriation for the
25 current fiscal period.

26 NEW SECTION. **Sec. 518. FOR THE SUPERINTENDENT OF PUBLIC**
27 **INSTRUCTION.** Appropriations made in this act to the office of
28 superintendent of public instruction shall initially be allotted as
29 required by this act. Subsequent allotment modifications shall not
30 include transfers of moneys between sections of this act.

(End of part)

PART VI
HIGHER EDUCATION

1
2
3 NEW SECTION. **Sec. 601.** The appropriations in sections 603 through
4 609 of this act are subject to the following conditions and
5 limitations:

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

8 (2)(a) The salary increases provided or referenced in this
9 subsection and described in sections 603 and 949 through 980 of this
10 act shall be the only allowable salary increases provided at
11 institutions of higher education, excluding increases associated with
12 normally occurring promotions and increases related to faculty and
13 professional staff retention, and excluding increases associated with
14 employees under the jurisdiction of chapter 41.56 RCW pursuant to the
15 provisions of RCW 28B.16.015 and 28B.50.874(1).

16 (b) For employees under the jurisdiction of chapter 41.56 RCW
17 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1), salary
18 increases will be in accordance with the applicable collective
19 bargaining agreement. However, an increase shall not be provided to
20 any classified employee whose salary is above the approved salary range
21 maximum for the class to which the employee's position is allocated.

22 (c) Each institution of higher education receiving appropriations
23 for salary increases under sections 604 through 609 of this act may
24 provide additional salary increases from other sources to instructional
25 and research faculty, exempt professional staff, teaching and research
26 assistants, as classified by the office of financial management, and
27 all other nonclassified staff, but not including employees under RCW
28 28B.16.015. Any additional salary increase granted under the authority
29 of this subsection (2)(c) shall not be included in an institution's
30 salary base for future state funding. It is the intent of the
31 legislature that general fund--state support for an institution shall
32 not increase during the current or any future biennium as a result of
33 any salary increases authorized under this subsection (2)(c).

34 (d) The legislature, the office of financial management, and other
35 state agencies need consistent and accurate personnel data from

1 institutions of higher education for policy planning purposes.
2 Institutions of higher education shall report personnel data to the
3 department of personnel for inclusion in the department's data
4 warehouse. Uniform reporting procedures shall be established by the
5 department of personnel for use by the reporting institutions,
6 including provisions for common job classifications and common
7 definitions of full-time equivalent staff. Annual contract amounts,
8 number of contract months, and funding sources shall be consistently
9 reported for employees under contract.

10 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
11 full-time students at the state's institutions of higher education for
12 the 2005-06 and 2006-07 academic years, other than the summer term,
13 shall be adjusted by the governing boards of the state universities,
14 regional universities, The Evergreen State College, and the state board
15 for community and technical colleges. Tuition fees may be increased in
16 excess of the fiscal growth factor under RCW 43.135.055.

17 For the 2005-06 academic year, the governing boards of the state
18 universities may implement an increase no greater than seven percent
19 over tuition fees charged to full-time resident undergraduate students
20 for the 2004-05 academic year. The governing boards of the regional
21 universities and The Evergreen State College may implement an increase
22 no greater than six percent over tuition fees charged to full-time
23 resident undergraduate students for the 2004-05 academic year. The
24 state board for community and technical colleges may implement an
25 increase no greater than five percent over tuition fees charged to
26 full-time resident students for the 2004-05 academic year.

27 For the 2006-07 academic year, the governing boards of the state
28 universities may implement an increase no greater than seven percent
29 over tuition fees charged to full-time resident undergraduate students
30 for the 2005-06 academic year. The governing boards of the regional
31 universities and The Evergreen State College may implement an increase
32 no greater than six percent over tuition fees charged to full-time
33 resident undergraduate students for the 2005-06 academic year. The
34 state board for community and technical colleges may implement an
35 increase no greater than five percent over tuition fees charged to
36 full-time resident students for the 2005-06 academic year.

37 (4) For the 2005-07 biennium, the state board for community and

1 technical colleges may increase tuition fees differentially based on
2 student credit hour load at their discretion.

3 (5) For the 2005-07 biennium, the governing boards and the state
4 board may adjust full-time operating fees for factors that may include
5 time of day and day of week, as well as delivery method and campus, to
6 encourage full use of the state's educational facilities and resources.

7 (6) Technical colleges may increase their building fee in excess of
8 the fiscal growth factor until parity is reached with the community
9 colleges.

10 (7) In addition to waivers granted under the authority of RCW
11 28B.15.910, the governing boards and the state board may waive all or
12 a portion of operating fees for any student. State general fund
13 appropriations shall not be provided to replace tuition and fee revenue
14 foregone as a result of waivers granted under this subsection.

15 (8) Pursuant to RCW 43.135.055, institutions of higher education
16 receiving appropriations under sections 603 through 609 of this act are
17 authorized to increase summer term tuition in excess of the fiscal
18 growth factor during the 2005-07 biennium. Tuition levels increased
19 pursuant to this subsection shall not exceed the per credit hour rate
20 calculated from the academic year tuition levels adopted under this
21 act.

22 (9) Pursuant to RCW 43.135.055, community and technical colleges
23 are authorized to increase services and activities fee charges in
24 excess of the fiscal growth factor during the 2005-2007 biennium. The
25 services and activities fee charges increased pursuant to this
26 subsection shall not exceed the maximum level authorized by the state
27 board for community and technical colleges.

28 (10) Pursuant to RCW 43.135.055, the governing boards of the state
29 universities, regional universities, and The Evergreen State College
30 are authorized to increase application fees in excess of the fiscal
31 growth factor during the 2005-2007 biennium. The application fee
32 levels increased pursuant to this subsection shall not exceed fifty
33 dollars per application.

34 NEW SECTION. **Sec. 602.** (1) The appropriations in sections 603
35 through 609 of this act provide state general fund support for full-
36 time equivalent student enrollments at each institution of higher

1 education. Listed below are the annual full-time equivalent student
2 enrollments by institutions assumed in this act.

	2005-06	2006-07
	Annual	Annual
	Average	Average
3 University of Washington		
4		
5		
6		
7		
8 Main campus	33,037	33,217
9 Bothell branch	1,340	1,540
10 Tacoma branch	1,644	1,869
11		
12 Washington State University		
13		
14 Main campus	18,695	18,910
15 Tri-Cities branch	675	700
16 Vancouver branch	1,353	1,678
17		
18 Central Washington University	8,323	8,649
19 Eastern Washington University	8,593	8,919
20 The Evergreen State College	4,038	4,143
21 Western Washington University	11,559	11,729
22 State Board for Community and Technical Colleges	130,905	133,040
23		

24 (2) For the state universities, the number of full-time equivalent
25 student enrollments enumerated in this section for the branch campuses
26 are the minimum required enrollment levels for those campuses. At the
27 start of an academic year, the governing board of a state university
28 may transfer full-time equivalent student enrollments from the main
29 campus to one or more branch campus. Intent notice shall be provided
30 to the office of financial management and reassignment of funded
31 enrollment is contingent upon satisfying data needs of the forecast
32 division who is responsible to track and monitor state-supported
33 college enrollment.

34 NEW SECTION. **Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND**

1 **TECHNICAL COLLEGES**

2	General Fund--State Appropriation (FY 2006)	\$556,499,000
3	General Fund--State Appropriation (FY 2007)	\$556,220,000
4	Administrative Contingency Account--State	
5	Appropriation	\$2,950,000
6	Education Legacy Trust--State Appropriation	\$46,669,000
7	TOTAL APPROPRIATION	\$1,172,338,000

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

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

13 (2) \$539,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$540,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for the displaced homemakers
16 program.

17 (3) Access to baccalaureate and graduate degree programs continues
18 to be limited for residents of North Snohomish, Island, and Skagit
19 counties. The higher education consortium created to serve the region
20 has not been able to successfully address the region's access needs.
21 The university center model of service delivery, centered on a
22 community college campus with a single point of accountability, has
23 proven more effective in developing degree programs and attracting
24 students.

25 Therefore, the management and leadership responsibility for
26 consortium operations are assigned to Everett community college.
27 Everett community college shall collaborate with community and business
28 leaders, other local community colleges, the public four-year
29 institutions of higher education, and the higher education coordinating
30 board to develop an educational plan for the North Snohomish, Island,
31 and Skagit county region based on the university center model.

32 (4) \$50,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$50,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for higher education student child
35 care matching grants under chapter 28B.135 RCW.

36 (5) \$28,761,000 of the general fund--state appropriation for fiscal
37 year 2006 and \$28,761,000 of the general fund--state appropriation for
38 fiscal year 2007 are provided solely as special funds for training and

1 related support services, including financial aid, as specified in
2 chapter 226, Laws of 1993 (employment and training for unemployed
3 workers). Funding is provided to support up to 6,200 full-time
4 equivalent students in each fiscal year.

5 (6) \$2,000,000 of the education legacy trust appropriation for
6 fiscal year 2006 and \$2,000,000 of the education legacy trust
7 appropriation for fiscal year 2007 are provided solely for basic skills
8 education at community and technical colleges and community-based
9 providers. These funds may be used to align or integrate adult basic
10 education and English as a second language courses with vocational
11 training.

12 (7) The appropriations for higher education employee compensation
13 increases provided or referenced in this section and described in
14 sections 949 through 980 of this act are estimated to increase the
15 total per student funding during the 2005-2007 biennium. This increase
16 in total per student funding is in addition to the tuition revenues
17 that will be generated and retained by the community and technical
18 colleges as a result of the tuition increases that are authorized in
19 section 601 of this act. Given these increases in core funding, the
20 state board for community and technical colleges shall, by June 30,
21 2007, show demonstrable progress toward achieving the following six-
22 year programmatic goals:

23 (a) Increase the number of academic students who are eligible to
24 transfer to baccalaureate institutions;

25 (b) Increase the number of students prepared for work; and

26 (c) Increase the number of basic skills students who demonstrate
27 substantive skill gain.

28 Specific six-year targets for the goals stated in this subsection
29 shall be established by the state board and the office of financial
30 management and shall be determined based on the per student funding
31 level assumed in this act.

32 The state board for community and technical colleges shall provide
33 a summary of the progress and ongoing efforts toward meeting the
34 provisions of this section to the governor and the appropriate fiscal
35 and policy committees of the legislature prior to November 1, 2006.

36 (8) \$11,070,000 of the education legacy trust appropriation for
37 fiscal year 2006 and \$22,599,000 of the education legacy trust
38 appropriation for fiscal year 2007 are provided to increase budgeted

1 enrollments by 2,050 student FTEs in academic year 2006 and an
2 additional 2,135 student FTEs in academic year 2007. By December 15th
3 of each year of the 2005-07 fiscal biennium, the board shall report to
4 the office of financial management and the legislative fiscal
5 committees the number of new student FTEs enrolled with the funding
6 provided in this subsection.

7 (9) \$2,250,000 of the education legacy trust appropriation for
8 fiscal year 2006 and \$2,250,000 of the education legacy trust
9 appropriation for fiscal year 2007 are provided solely to increase
10 salaries and related benefits for part-time faculty. A college
11 district may match the state funds with local revenue. The board shall
12 report by January 30, 2006, to the office of financial management and
13 the appropriate fiscal and policy committees of the legislature on (a)
14 the distribution of state funds, and (b) wage adjustments for part-time
15 faculty.

16 (10) \$2,250,000 of the education legacy trust appropriation for
17 fiscal year 2006 and \$2,250,000 of the education legacy trust
18 appropriation for fiscal year 2007 are provided solely for faculty
19 salary increments and associated benefits and may be used in
20 combination with salary and benefit savings from faculty turnover to
21 provide salary increments and associated benefits for faculty who
22 qualify through professional development and training. To the extent
23 general salary increase funding is used to pay faculty increments, the
24 general salary increase shall be reduced by the same amount.

25 (11) \$2,950,000 of the administrative contingency account--state
26 appropriation is provided solely for administration and customized
27 training contracts through the job skills program, which shall be made
28 available broadly and not to the exclusion of private nonprofit
29 baccalaureate degree granting institutions or vocational arts career
30 schools operating in Washington state who partner with a firm,
31 hospital, group, or industry association concerned with commerce,
32 trade, manufacturing, or the provision of services to train current or
33 prospective employees. The state board shall make an annual report by
34 January 1 of each fiscal year to the governor and appropriate policy
35 and fiscal committees of the legislature regarding the implementation
36 of this section listing the scope of grant awards, the distribution of
37 funds by educational sector and region of the state, and the successful
38 partnerships supported by these state funds.

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

2	General Fund--State Appropriation (FY 2006)	\$336,644,000
3	General Fund--State Appropriation (FY 2007)	\$344,118,000
4	General Fund--Private/Local Appropriation	\$300,000
5	Accident Account--State Appropriation	\$6,204,000
6	Medical Aid Account--State Appropriation	\$6,141,000
7	Education Legacy Trust--State Appropriation	\$10,748,000
8	TOTAL APPROPRIATION	\$704,155,000

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

11 (1) \$165,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$165,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely for the implementation of the
14 Puget Sound work plan and agency action item UW-01.

15 (2) \$300,000 of the general fund--private/local appropriation is
16 provided solely for shellfish biotoxin monitoring as specified in
17 chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

18 (3) \$3,057,000 of the education legacy trust appropriation for
19 fiscal year 2006 and \$7,691,000 of the education legacy trust
20 appropriation for fiscal year 2007 are provided as the state subsidy
21 for 360 new enrollments at the Seattle campus, 325 new enrollments at
22 the Tacoma campus, and 275 new enrollments at the Bothell campus. By
23 December 15th of each year of the 2005-07 fiscal biennium, the
24 university shall report to the office of financial management and the
25 legislative fiscal committees the number of new student FTEs by campus
26 enrolled with the funding provided in this subsection.

27 (4) The appropriations for higher education employee compensation
28 increases provided or referenced in this section and described in
29 sections 949 through 980 of this act are estimated to increase the
30 total per student funding during the 2005-2007 biennium. This increase
31 in total per student funding is in addition to the tuition revenues
32 that will be generated and retained by the university as a result of
33 the tuition increases that are authorized in section 601 of this act.
34 Given these increases in core funding, the University of Washington
35 shall, by June 30, 2007, show demonstrable progress toward achieving
36 the following six-year programmatic goals:

37 (a) Improve time to degree as measured by the percent of admitted
38 students who graduate within 125% of the credits required for a degree;

1 (b) Preserve access for low-income students as measured by the
2 percentage of total degrees awarded to Pell Grant recipients;

3 (c) Improve freshman retention rates;

4 (d) Improve and sustain the quality of its degree programs as
5 measured by the number of programs that are ranked in the top twenty
6 nationally;

7 (e) Sustain the quality of its research programs as measured by the
8 national ranking for federal research grants received; and

9 (f) Improve its ability to prepare students for the workforce as
10 measured by the job placement or graduate school acceptance rates among
11 graduates.

12 Specific six-year targets for the goals stated in this subsection
13 shall be established by the university, the office of financial
14 management, and the higher education coordinating board and shall be
15 determined based on the per student funding level assumed in this act.

16 On or before October 1, 2006, the university shall submit to the
17 higher education coordinating board a report that outlines the
18 institution's progress and ongoing efforts toward meeting the
19 provisions of this section. The higher education coordinating board
20 shall compile and analyze all responses and provide a summary to the
21 governor and the appropriate fiscal and policy committees of the
22 legislature prior to November 1, 2006.

23 (5) \$200,000 of the general fund--state appropriation for fiscal
24 year 2006 is provided solely to assist the transition of University of
25 Washington-Tacoma and University of Washington-Bothell from branch
26 campuses serving upper-division students, to four-year campuses serving
27 freshmen, sophomores, and upper-division students. Funds may be used
28 to develop curricula, recruit new faculty, and expand student services.
29 Consistent with the recommendations of the higher education
30 coordinating board, UW-Tacoma and UW-Bothell may begin enrolling lower-
31 division students beginning in fiscal year 2007.

32 (6) \$30,000 of the general fund--state appropriation for fiscal
33 year 2006 and \$30,000 of the general fund--state appropriation for
34 fiscal year 2007 are provided solely for research on labor and economic
35 issues in Washington state through the Harry Bridges center.

36 (7) \$146,000 of the general fund--state appropriation for fiscal
37 year 2006 and \$146,000 of the general fund--state appropriation for the

1 fiscal year 2007 are provided solely to the Burke Museum to enhance the
2 museum's public outreach capabilities.

3 (8) \$125,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$125,000 of the general fund--state appropriation for the
5 fiscal year 2007 are provided solely to the institute for learning and
6 brain sciences (ILABS) to develop a partnership, linking ILABS to
7 policymakers, private sectors and user-groups.

8 (9) The University of Washington medical center shall provide
9 inpatient and outpatient hospital services to offenders confined in
10 department of corrections facilities at a rate no greater than the
11 average rate that the department of corrections has negotiated with
12 other community hospitals in Washington state.

13 (10) \$75,000 of the general fund--state appropriation for fiscal
14 year 2006 and \$75,000 of the general fund--state appropriation for
15 fiscal year 2007 are provided solely for the Olympic natural resources
16 center.

17 (11) \$350,000 of the general fund--state appropriation for fiscal
18 year 2006 and \$350,000 of the general fund--state appropriation for
19 fiscal year 2007 are provided solely to maintain the autism center at
20 the University of Washington-Tacoma campus. The facility will continue
21 to function as a satellite facility to the autism center at the
22 University of Washington medical center in Seattle and provide clinical
23 service and professional training.

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

25	General Fund--State Appropriation (FY 2006)	\$206,494,000
26	General Fund--State Appropriation (FY 2007)	\$211,870,000
27	Education Legacy Trust--State Appropriation	\$11,162,000
28	TOTAL APPROPRIATION	\$429,526,000

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

31 (1) \$210,000 of the general fund--state appropriation for fiscal
32 year 2006 and \$210,000 of the general fund--state appropriation for
33 fiscal year 2007 are provided solely for the implementation of the
34 Puget Sound work plan and agency action item WSU-01.

35 (2) \$2,741,000 of the education legacy trust appropriation for
36 fiscal year 2006 and \$6,900,000 of the education legacy trust
37 appropriation for fiscal year 2007 are provided as the state subsidy

1 for 430 new enrollments at the Pullman campus, 450 new enrollments at
2 the Vancouver campus, and 25 new enrollments at the Tri-Cities campus.
3 By December 15th of each year of the 2005-07 fiscal biennium, the
4 university shall report to the office of financial management and the
5 legislative fiscal committees the number of new student FTEs by campus
6 enrolled with the funding provided in this subsection.

7 (3) The appropriations for higher education employee compensation
8 increases provided or referenced in this section and described in
9 sections 949 through 980 of this act are estimated to increase the
10 total per student funding during the 2005-2007 biennium. This increase
11 in total per student funding is in addition to the tuition revenues
12 that will be generated and retained by the university as a result of
13 the tuition increases that are authorized in section 601 of this act.
14 Given these increases in core funding, Washington State University
15 shall, by June 30, 2007, show demonstrable progress toward achieving
16 the following six-year programmatic goals:

17 (a) Improve time to degree as measured by the percent of admitted
18 students who graduate within 125% of the credits required for a degree;

19 (b) Preserve access for low-income students as measured by the
20 percentage of total degrees awarded to Pell Grant recipients;

21 (c) Improve freshman retention rates;

22 (d) Improve and sustain the quality of its degree programs as
23 measured by the number of programs that are ranked in the top twenty
24 nationally;

25 (e) Sustain the quality of its research programs as measured by the
26 national ranking for federal research grants received; and

27 (f) Improve its ability to prepare students for the workforce as
28 measured by the job placement or graduate school acceptance rates among
29 graduates.

30 Specific six-year targets for the goals stated in this subsection
31 shall be established by the university, the office of financial
32 management, and the higher education coordinating board and shall be
33 determined based on the per student funding level assumed in this act.

34 On or before October 1, 2006 the university shall submit to the
35 higher education coordinating board a report that outlines the
36 institution's progress and ongoing efforts toward meeting the
37 provisions of this section. The higher education coordinating board

1 shall compile and analyze all responses and provide a summary to the
2 governor and the appropriate fiscal and policy committees of the
3 legislature prior to November 1, 2006.

4 (4) \$507,000 of the education legacy trust appropriation for fiscal
5 year 2006 and \$1,014,000 of the education legacy trust appropriation
6 for fiscal year 2007 are provided solely to expand the entering class
7 of veterinary medicine students by 16 resident student FTEs each
8 academic year during the 2005-2007 biennium.

9 (5) \$350,000 of the general fund--state appropriation for fiscal
10 year 2006 is provided solely to assist the transition of Washington
11 State University-Vancouver from a branch campus serving only upper-
12 division students, to a four-year campus serving freshmen, sophomores,
13 and upper-division students. Funds may be used to develop curricula,
14 recruit new faculty, and expand student services. Consistent with the
15 recommendations of the higher education coordinating board, WSU-
16 Vancouver may begin enrolling lower-division students beginning in
17 fiscal year 2007.

18 (6) The university shall give consideration to reprioritizing
19 agricultural research funding to allow for expansion of the center for
20 precision agricultural systems and development of the biologically
21 intensive and organic agriculture program.

22 (7) \$25,000 of the general fund--state appropriation for fiscal
23 year 2006 and \$25,000 of the general fund--state appropriation for
24 fiscal year 2007 are provided solely to study the cost of complying
25 with vehicle licensing and registration laws. Funding is subject to
26 the passage of House Bill No. 1241 (modifying vehicle licensing and
27 registration penalties). If the bill is not enacted by June 30, 2005,
28 the amounts provided in this subsection shall lapse.

29 (8) \$42,000 of the general fund--state appropriation for fiscal
30 year 2006 and \$43,000 of the general fund--state appropriation for
31 fiscal year 2007 are provided solely to implement Senate Bill No. 5101
32 (providing incentives to support renewable energy). If the bill is not
33 enacted by June 30, 2005, the amounts provided in this subsection shall
34 lapse.

35 (9) \$200,000 of the general fund--state appropriation for fiscal
36 year 2006 and \$200,000 of the general fund--state appropriation for
37 fiscal year 2007 are provided solely to conduct research on
38 alternatives for controlling ghost shrimp in Willapa bay.

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

2	General Fund--State Appropriation (FY 2006)	\$46,137,000
3	General Fund--State Appropriation (FY 2007)	\$47,069,000
4	Education Legacy Trust--State Appropriation	\$6,461,000
5	TOTAL APPROPRIATION	\$99,667,000

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

8 (1) \$2,147,000 of the education legacy trust appropriation for
9 fiscal year 2006 and \$4,314,000 of the education legacy trust
10 appropriation for fiscal year 2007 are provided as the state subsidy
11 for 650 new enrollments. By December 15th of each year of the 2005-07
12 fiscal biennium, the university shall report to the office of financial
13 management and the legislative fiscal committees the number of new
14 student FTEs by campus enrolled with the funding provided in this
15 subsection.

16 (2) The appropriations for higher education employee compensation
17 increases provided or referenced in this section and described in
18 sections 949 through 980 of this act are estimated to increase the
19 total per student funding during the 2005-2007 biennium. This increase
20 in total per student funding is in addition to the tuition revenues
21 that will be generated and retained by the university as a result of
22 the tuition increases that are authorized in section 601 of this act.
23 Given these increases in core funding, Eastern Washington University
24 shall, by June 30, 2007, show demonstrable progress toward achieving
25 the following six-year programmatic goals:

26 (a) Improve time to degree as measured by the percent of admitted
27 students who graduate within 125% of the credits required for a degree;

28 (b) Preserve access for low-income students as measured by the
29 percentage of total degrees awarded to Pell Grant recipients;

30 (c) Improve freshman retention rates;

31 (d) Improve and sustain the quality of its degree programs as
32 measured by the number of programs that receive national accreditation;
33 and

34 (e) Improve its ability to prepare students for the workforce as
35 measured by the job placement or graduate school acceptance rates among
36 graduates.

37 Specific six-year targets for the goals stated in this subsection

1 shall be established by the university, the office of financial
2 management, and the higher education coordinating board and shall be
3 determined based on the per student funding level assumed in this act.

4 On or before October 1, 2006, the university shall submit to the
5 higher education coordinating board a report that outlines the
6 institution's progress and ongoing efforts toward meeting the
7 provisions of this section. The higher education coordinating board
8 shall compile and analyze all responses and provide a summary to the
9 governor and the appropriate fiscal and policy committees of the
10 legislature prior to November 1, 2006.

11 (3) \$212,000 of the general fund--state appropriation for fiscal
12 year 2006 and \$213,000 of the general fund--state appropriation for
13 fiscal year 2007 are provided solely for the northeast autism center to
14 provide community based approaches to assisting children and adults
15 with autism spectrum disorder and to include the establishment of a
16 preschool at Eastern Washington University to serve children identified
17 with autism spectrum disorder.

18 NEW SECTION. **Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

19	General Fund--State Appropriation (FY 2006)	\$45,379,000
20	General Fund--State Appropriation (FY 2007)	\$46,739,000
21	Education Legacy Trust--State Appropriation	\$6,461,000
22	TOTAL APPROPRIATION	\$98,579,000

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

25 (1) \$2,147,000 of the education legacy trust appropriation for
26 fiscal year 2006 and \$4,314,000 of the education legacy trust
27 appropriation for fiscal year 2007 are provided as the state subsidy
28 for 650 new enrollments. By December 15th of each year of the 2005-07
29 fiscal biennium, the university shall report to the office of financial
30 management and the legislative fiscal committees the number of new
31 student FTEs by campus enrolled with the funding provided in this
32 subsection.

33 (2) The appropriations for higher education employee compensation
34 increases provided or referenced in this section and described in
35 sections 949 through 980 of this act are estimated to increase the
36 total per student funding during the 2005-2007 biennium. This increase
37 in total per student funding is in addition to the tuition revenues

1 that will be generated and retained by the university as a result of
2 the tuition increases that are authorized in section 601 of this act.
3 Given these increases in core funding, Central Washington University
4 shall, by June 30, 2007, show demonstrable progress toward achieving
5 the following six-year programmatic goals:

6 (a) Improve time to degree as measured by the percent of admitted
7 students who graduate within 125% of the credits required for a degree;

8 (b) Preserve access for low-income students as measured by the
9 percentage of total degrees awarded to Pell Grant recipients;

10 (c) Improve freshman retention rates;

11 (d) Improve and sustain the quality of its degree programs as
12 measured by the number of programs that receive national accreditation;
13 and

14 (e) Improve its ability to prepare students for the workforce as
15 measured by the job placement or graduate school acceptance rates among
16 graduates.

17 Specific six-year targets for the goals stated in this subsection
18 shall be established by the university, the office of financial
19 management, and the higher education coordinating board and shall be
20 determined based on the per student funding level assumed in this act.

21 On or before October 1, 2006, the university shall submit to the
22 higher education coordinating board a report that outlines the
23 institution's progress and ongoing efforts toward meeting the
24 provisions of this section. The higher education coordinating board
25 shall compile and analyze all responses and provide a summary to the
26 governor and the appropriate fiscal and policy committees of the
27 legislature prior to November 1, 2006.

28 (3) For the 2006-07 and 2007-08 academic years, the legislature
29 hereby increases the limit on total gross authorized operating fees
30 revenue waived, exempted, or reduced by Central Washington University
31 pursuant to RCW 28B.15.910 to eleven percent.

32 **NEW SECTION. Sec. 608. FOR THE EVERGREEN STATE COLLEGE**

33	General Fund--State Appropriation (FY 2006)	\$25,586,000
34	General Fund--State Appropriation (FY 2007)	\$26,174,000
35	Education Legacy Trust--State Appropriation	\$2,116,000
36	TOTAL APPROPRIATION	\$53,876,000

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

3 (1) \$705,000 of the education legacy trust appropriation for fiscal
4 year 2006 and \$1,411,000 of the education legacy trust appropriation
5 for fiscal year 2007 are provided as the state subsidy for 210 new
6 enrollments. By December 15th of each year of the 2005-07 fiscal
7 biennium, the college shall report to the office of financial
8 management and the legislative fiscal committees the number of new
9 student FTEs by campus enrolled with the funding provided in this
10 subsection.

11 (2) The appropriations for higher education employee compensation
12 increases provided or referenced in this section and described in
13 sections 949 through 980 of this act are estimated to increase the
14 total per student funding during the 2005-2007 biennium. This increase
15 in total per student funding is in addition to the tuition revenues
16 that will be generated and retained by the college as a result of the
17 tuition increases that are authorized in section 601 of this act.
18 Given these increases in core funding, The Evergreen State College
19 shall, by June 30, 2007, show demonstrable progress toward achieving
20 the following six-year programmatic goals:

21 (a) Improve time to degree as measured by the percent of admitted
22 students who graduate within 125% of the credits required for a degree;

23 (b) Preserve access for low-income students as measured by the
24 percentage of total degrees awarded to Pell Grant recipients;

25 (c) Improve freshman retention rates;

26 (d) Improve and sustain the quality of its degree programs as
27 measured by the number of programs that receive national accreditation;

28 (e) Improve its ability to prepare students for the workforce as
29 measured by the job placement or graduate school acceptance rates among
30 graduates.

31 Specific six-year targets for the goals stated in this subsection
32 shall be established by the university, the office of financial
33 management, and the higher education coordinating board and shall be
34 determined based on the per student funding level assumed in this act.

35 On or before October 1, 2006, the university shall submit to the
36 higher education coordinating board a report that outlines the
37 institution's progress and ongoing efforts toward meeting the
38 provisions of this section. The higher education coordinating board

1 shall compile and analyze all responses and provide a summary to the
2 governor and the appropriate fiscal and policy committees of the
3 legislature prior to November 1, 2006.

4 (3) \$40,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$10,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for the Washington state institute
7 for public policy to conduct an analysis of the availability, services,
8 and effectiveness of programs in community and technical colleges that
9 serve the educational needs of recent immigrant students who are not
10 proficient in English and who are or have been enrolled in high school
11 but have not met graduation requirements. The analysis shall include,
12 but not be limited to, the type of programs provided, the geographic
13 availability of programs, the identification of best practices, how the
14 programs are funded, and the effectiveness of the programs. The
15 analysis shall also include recommendations for improving the programs
16 to better meet the needs of recent immigrant students and for expanding
17 the availability of programs statewide. A report shall be submitted to
18 the fiscal and education committees of the legislature, the
19 superintendent of public instruction, and the state board for community
20 and technical colleges by December 1, 2006.

21 (4) \$170,000 of the general fund--state appropriation for fiscal
22 year 2006 and \$140,000 of the general fund--state appropriation for
23 fiscal year 2007 are provided solely for sections 217 and 605 of Senate
24 Bill No. 5763 (mental disorders treatment). If neither section 217 nor
25 section 605 is enacted by June 30, 2005, the amounts provided in this
26 subsection shall lapse.

27 NEW SECTION. **Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**

28	General Fund--State Appropriation (FY 2006)	\$58,896,000
29	General Fund--State Appropriation (FY 2007)	\$60,514,000
30	Education Legacy Trust--State Appropriation	\$3,475,000
31	TOTAL APPROPRIATION	\$122,885,000

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

34 (1) \$1,158,000 of the education legacy trust appropriation for
35 fiscal year 2006 and \$2,317,000 of the education legacy trust
36 appropriation for fiscal year 2007 are provided as the state subsidy
37 for 340 new enrollments. By December 15th of each year of the 2005-07

1 fiscal biennium, the university shall report to the office of financial
2 management and the legislative fiscal committees the number of new
3 student FTEs by campus enrolled with the funding provided in this
4 subsection.

5 (2) The appropriations for higher education employee compensation
6 increases provided or referenced in this section and described in
7 sections 949 through 980 of this act are estimated to increase the
8 total per student funding during the 2005-2007 biennium. This increase
9 in total per student funding is in addition to the tuition revenues
10 that will be generated and retained by the university as a result of
11 the tuition increases that are authorized in section 601 of this act.
12 Given these increases in core funding, Western Washington University
13 shall, by June 30, 2007, show demonstrable progress toward achieving
14 the following six-year programmatic goals:

15 (a) Improve time to degree as measured by the percent of admitted
16 students who graduate within 125% of the credits required for a degree;

17 (b) Preserve access for low-income students as measured by the
18 percentage of total degrees awarded to Pell Grant recipients;

19 (c) Improve freshman retention rates;

20 (d) Improve and sustain the quality of its degree programs as
21 measured by the number of programs that receive national accreditation;
22 and

23 (e) Improve its ability to prepare students for the workforce as
24 measured by the job placement or graduate school acceptance rates among
25 graduates.

26 Specific six-year targets for the goals stated in this subsection
27 shall be established by the university, the office of financial
28 management, and the higher education coordinating board and shall be
29 determined based on the per student funding level assumed in this act.

30 On or before October 1, 2006, the university shall submit to the
31 higher education coordinating board a report that outlines the
32 institution's progress and ongoing efforts toward meeting the
33 provisions of this section. The higher education coordinating board
34 shall compile and analyze all responses and provide a summary to the
35 governor and the appropriate fiscal and policy committees of the
36 legislature prior to November 1, 2006.

37 (3) Access to baccalaureate and graduate degree programs continues
38 to be limited for residents of North Snohomish, Island, and Skagit

1 counties. The higher education consortium created to serve the region
2 has not been able to successfully address the region's access needs.
3 The university center model of service delivery, centered on a
4 community college campus with a single point of accountability, has
5 proven more effective in developing degree programs and attracting
6 students.

7 Therefore, the management and leadership responsibility for
8 consortium operations are assigned to Everett community college.
9 Everett community college shall collaborate with community and business
10 leaders, other local community colleges, the public four-year
11 institutions of higher education, and the higher education coordinating
12 board to develop an educational plan for the North Snohomish, Island,
13 and Skagit county region based on the university center model.

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

16	General Fund--State Appropriation (FY 2006)	\$2,665,000
17	General Fund--State Appropriation (FY 2007)	\$2,684,000
18	General Fund--Federal Appropriation	\$4,289,000
19	TOTAL APPROPRIATION	\$9,638,000

20 The appropriations in this section are subject to the following
21 conditions and limitations: \$300,000 of the general fund--state
22 appropriation for fiscal year 2006 and \$300,000 of the general fund--
23 state appropriation for fiscal year 2007 are provided solely to develop
24 college readiness standards for English and science.

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

27	General Fund--State Appropriation (FY 2006)	\$159,363,000
28	General Fund--State Appropriation (FY 2007)	\$164,634,000
29	General Fund--Federal Appropriation	\$13,073,000
30	Education Legacy Trust--State Appropriation	\$62,910,000
31	TOTAL APPROPRIATION	\$399,980,000

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

34 (1) \$299,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$308,000 of the general fund--state appropriation for

1 fiscal year 2007 are provided solely for the western interstate
2 commission for higher education.

3 (2) \$75,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$75,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for higher education student child
6 care matching grants under chapter 28B.135 RCW.

7 (3) \$25,000 of the general fund--state appropriation for fiscal
8 year 2006 and \$25,000 of the general fund--state appropriation for
9 fiscal year 2007 are provided solely for the benefit of students who
10 participate in college assistance migrant programs (CAMP) operating in
11 Washington state. To ensure timely state aid, the board may establish
12 a date after which no additional grants would be available for the
13 2005-06 and 2006-07 academic years. The board shall disperse grants in
14 equal amounts to eligible post-secondary institutions so that state
15 money in all cases supplements federal CAMP awards.

16 (4) \$124,901,000 of the general fund--state appropriation for
17 fiscal year 2006, \$134,506,000 of the general fund--state appropriation
18 for fiscal year 2007, \$28,400,000 of the education legacy trust
19 appropriation for fiscal year 2006, and \$31,654,000 of the education
20 legacy trust appropriation for fiscal year 2007 are provided solely for
21 the state need grant program. After April 1st of each fiscal year, up
22 to one percent of the annual appropriation for the state need grant
23 program may be transferred to the state work study program.

24 (5) \$250,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$250,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely to implement House Bill No. 1345
27 (part-time student financial aid). If the bill is not enacted by June
28 30, 2005, the amounts provided in this subsection shall lapse. The
29 board may not expend more than the amount provided in this subsection
30 to implement the bill.

31 (6) \$75,000 of the general fund--state appropriation for fiscal
32 year 2006 and \$75,000 of the general fund--state appropriation for
33 fiscal year 2007 are provided solely for the implementation of Second
34 Substitute House Bill No. 1050 (foster care endowed scholarship
35 program). The purpose of the program is to help students who are or
36 were in foster care attend an institution of higher education in the
37 state of Washington. If the bill is not enacted by June 30, 2005, the
38 amounts provided in this subsection shall lapse.

1 (7) \$250,000 of the general fund--state appropriation for fiscal
2 year 2006 and \$250,000 of the general fund--state appropriation for the
3 fiscal year 2007 are provided solely to support the future teachers'
4 conditional scholarship and loan repayment program.

5 (8) \$17,048,000 of the general fund--state appropriation for fiscal
6 year 2006, \$17,048,000 of the general fund--state appropriation for
7 fiscal year 2007, \$863,000 of the education legacy trust appropriation
8 for fiscal year 2006, and \$1,993,000 of the education legacy trust
9 appropriation for fiscal year 2007 are provided solely for the state
10 work study program. After April 1st of each fiscal year, up to one
11 percent of the annual appropriation for the state work study program
12 may be transferred to the state need grant program. In addition to the
13 administrative allowance in subsection (11) of this section, four
14 percent of the general fund--state amount in this subsection may be
15 expended for state work study program administration.

16 (9) \$2,867,000 of the general fund--state appropriation for fiscal
17 year 2006 and \$2,867,000 of the general fund--state appropriation for
18 fiscal year 2007 are provided solely for educational opportunity grants
19 pursuant to chapter 233, Laws of 2003 (ESB 5676). The board may
20 deposit sufficient funds from its appropriation into the state
21 education trust fund as established in RCW 28B.10.821 to provide a one-
22 year renewal of the grant for each new recipient of the educational
23 opportunity grant award.

24 (10) \$2,384,000 of the general fund--state appropriation for fiscal
25 year 2006 and \$2,361,000 of the general fund--state appropriation for
26 fiscal year 2007 are provided solely to implement the Washington
27 scholars program. Any Washington scholars program moneys not awarded
28 by April 1st of each year may be transferred by the board to the
29 Washington award for vocational excellence. Amounts provided in this
30 subsection are sufficient for the higher education coordinating board
31 to select three Washington scholars in fiscal year 2006 and two
32 Washington scholars in fiscal year 2007 from each legislative district
33 under the provisions of RCW 28A.600.100 through 28A.600.150.

34 (11) \$794,000 of the general fund--state appropriation for fiscal
35 year 2006 and \$847,000 of the general fund--state appropriation for
36 fiscal year 2007 are provided solely to implement Washington award for
37 vocational excellence program. Any Washington award for vocational

1 program moneys not awarded by April 1st of each year may be transferred
2 by the board to the Washington scholars program.

3 (12) \$246,000 of the general fund--state appropriation for fiscal
4 year 2006 and \$246,000 of the general fund--state appropriation for
5 fiscal year 2007 are provided solely for community scholarship matching
6 grants of \$2,000 each and up to a total of \$46,000 per year in grants
7 for nonprofit community organizations with preference given to
8 organizations affiliated with scholarship America to administer the
9 scholarship matching grants. To be eligible for the matching grant, a
10 nonprofit community organization organized under section 501(c)(3) of
11 the internal revenue code must demonstrate that it has raised \$2,000 in
12 new moneys for college scholarships after the effective date of this
13 section. An organization may receive more than one \$2,000 matching
14 grant and preference shall be given to organizations affiliated with
15 scholarship America.

16 (13) Subject to state need grant service requirements pursuant to
17 chapter 28B.119 RCW, \$4,265,000 of the general fund--state
18 appropriation for fiscal year 2006 is provided solely for the
19 Washington promise scholarship program. The Washington promise
20 scholarship program is terminated following fiscal year 2006. No
21 Washington promise scholarship awards may be offered to students beyond
22 the graduating high school class of 2004.

23 (14) \$2,963,000 of the general fund--state appropriation for fiscal
24 year 2006 and \$2,958,000 of the general fund--state appropriation for
25 fiscal year 2007 are provided solely for financial aid administration,
26 in addition to the four percent cost allowance provision for state work
27 study under subsection (5) of this section. These funds are provided
28 to administer all the financial aid and grant programs assigned to the
29 board by the legislature and administered by the agency. To the extent
30 the executive director finds the agency will not require the full sum
31 provided in this subsection, a portion may be transferred to supplement
32 financial grants-in-aid to eligible clients after notifying the board
33 and the office of financial management of the intended transfer.

34 **NEW SECTION. Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION**
35 **COORDINATING BOARD**

36	General Fund--State Appropriation (FY 2006)	\$1,225,000
37	General Fund--State Appropriation (FY 2007)	\$1,231,000

1	General Fund--Federal Appropriation	\$53,890,000
2	TOTAL APPROPRIATION	\$56,346,000

3 NEW SECTION. **Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH**
4 **AND TECHNOLOGY INSTITUTE**

5	General Fund--State Appropriation (FY 2006)	\$1,446,000
6	General Fund--State Appropriation (FY 2007)	\$1,476,000
7	TOTAL APPROPRIATION	\$2,922,000

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

10 The legislature finds that economic development, especially in
11 emerging technologies, is critical to Spokane and Eastern Washington.
12 The principal goal of the state's investment in the Spokane
13 intercollegiate research and technology institute (SIRTI) is to bridge
14 the gap between academic discovery and economic development, thereby
15 leveraging the state's investment in research. However, it is
16 essential to find appropriate ways to mark the success of these
17 efforts. By September 15, 2005, SIRTI shall develop a plan for review
18 by the house of representatives higher education committee and the
19 senate labor, commerce, research and development committee, describing
20 the agency's strategy and budget for commercial application of academic
21 research. The plan shall include actions to be taken to select,
22 develop, commercialize, and graduate clients. The plan shall also
23 detail how to measure significant impacts to the overall economic
24 climate of the Spokane region, including job creation and wages, that
25 are attributable to SIRTI.

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

27	General Fund--State Appropriation (FY 2006)	\$2,322,000
28	General Fund--State Appropriation (FY 2007)	\$2,349,000
29	General Fund--Federal Appropriation	\$1,300,000
30	General Fund--Private/Local Appropriation (FY 2007)	\$1,000
31	TOTAL APPROPRIATION	\$5,972,000

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

34	General Fund--State Appropriation (FY 2006)	\$3,408,000
35	General Fund--State Appropriation (FY 2007)	\$2,757,000

1 TOTAL APPROPRIATION \$6,165,000

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

4 (1) \$102,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$95,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely to implement Senate Bill No. 5707
7 (women's history consortium). If the bill is not enacted by June 30,
8 2005, the amounts provided in this subsection shall lapse.

9 (2) \$262,000 of the general fund--state appropriation for fiscal
10 year 2006 is provided solely to coordinate and fund programs related to
11 the Lewis and Clark bicentennial commemoration.

12 (3) \$155,000 of the general fund--state appropriation for fiscal
13 year 2006 is provided solely for reimbursement of costs incurred by the
14 Pacific county sheriff's office resulting from Lewis and Clark
15 bicentennial commemoration events.

16 (4) \$100,000 of the general fund--state appropriation for fiscal
17 year 2006 is provided solely for reimbursement of costs incurred by
18 local law enforcement resulting from Lewis and Clark bicentennial
19 commemoration events scheduled in the cities of Clarkston, Dayton,
20 Kennewick, Stevenson, Toppenish, and Vancouver.

21 **NEW SECTION. Sec. 616. FOR THE EASTERN WASHINGTON STATE**
22 **HISTORICAL SOCIETY**

23 General Fund--State Appropriation (FY 2006) \$1,636,000
24 General Fund--State Appropriation (FY 2007) \$1,630,000
25 TOTAL APPROPRIATION \$3,266,000

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

27 General Fund--State Appropriation (FY 2006) \$5,133,000
28 General Fund--State Appropriation (FY 2007) \$5,251,000
29 General Fund--Private/Local Appropriation \$1,335,000
30 TOTAL APPROPRIATION \$11,719,000

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

32 General Fund--State Appropriation (FY 2006) \$8,419,000
33 General Fund--State Appropriation (FY 2007) \$8,613,000

1	General Fund--Private/Local Appropriation	\$232,000
2	TOTAL APPROPRIATION	\$17,264,000

(End of part)

PART VII
SPECIAL APPROPRIATIONS

NEW SECTION. **Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund--State Appropriation (FY 2006)	\$694,444,000
General Fund--State Appropriation (FY 2007)	\$668,119,000
State Building Construction Account--State Appropriation	\$3,924,000
State Taxable Building Construction Account--State Appropriation	\$139,000
Gardner-Evans Higher Education Construction Account--State Appropriation	\$1,215,000
Debt-limit General Fund Bond Retirement Account--State Appropriation	\$4,113,000
Debt-Limit Reimbursable Bond Retirement Account--State Appropriation	\$2,583,000
TOTAL APPROPRIATION	\$1,374,537,000

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 2006 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2006.

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	\$29,411,000
Accident Account--State Appropriation	\$5,111,000
Medical Aid Account--State Appropriation	\$5,111,000
TOTAL APPROPRIATION	\$39,633,000

NEW SECTION. **Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT**

1 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
2 **GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE**

3	General Fund--State Appropriation (FY 2006)	\$24,588,000
4	General Fund--State Appropriation (FY 2007)	\$26,743,000
5	Nondebt-Limit Reimbursable Bond Retirement	
6	Account--State Appropriation	\$131,844,000
7	TOTAL APPROPRIATION	\$183,175,000

8 The appropriations in this section are subject to the following
9 conditions and limitations: The general fund appropriation is for
10 deposit into the nondebt-limit general fund bond retirement account.

11 NEW SECTION. **Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT**
12 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
13 **BOND SALE EXPENSES**

14	General Fund--State Appropriation (FY 2006)	\$1,357,000
15	General Fund--State Appropriation (FY 2007)	\$1,357,000
16	State Building Construction Account--State Appropriation	\$1,080,000
17	State Taxable Building Construction	
18	Account--State Appropriation	\$13,000
19	Gardner-Evans Higher Education Construction	
20	Account--State Appropriation	\$452,000
21	TOTAL APPROPRIATION	\$4,259,000

22 NEW SECTION. **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
23 **FIRE CONTINGENCY POOL**

24	Disaster Response Account--State Appropriation	\$4,000,000
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25 The sum of \$4,000,000 is appropriated from the disaster response
26 account for the purpose of making allocations to the Washington state
27 patrol for fire mobilizations costs or to the department of natural
28 resources for fire suppression costs.

29 NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
30 **EMERGENCY FUND**

31	General Fund--State Appropriation (FY 2006)	\$850,000
32	General Fund--State Appropriation (FY 2007)	\$850,000
33	TOTAL APPROPRIATION	\$1,700,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: The appropriations in this section are for
3 the governor's emergency fund for the critically necessary work of any
4 agency.

5 NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
6 **SEX OFFENDER SENTENCING IMPACT**

7	General Fund--State Appropriation (FY 2006)	\$45,000
8	General Fund--State Appropriation (FY 2007)	\$792,000
9	TOTAL APPROPRIATION	\$837,000

10 The appropriations in this section are subject to the following
11 conditions and limitations: The appropriations are provided solely for
12 distribution to counties to pay for the costs of implementing chapter
13 176, Laws of 2004, which makes amendments to the special sex offender
14 sentencing alternative.

15 NEW SECTION. **Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
16 **SMALL AGENCY INFORMATION TECHNOLOGY POOL**

17	General Fund--State Appropriation (FY 2006)	\$500,000
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18 The appropriation in this section is subject to the following
19 conditions and limitations: The appropriation is provided solely for
20 deposit into the data processing revolving account.

21 NEW SECTION. **Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
22 **CAPITOL BUILDING CONSTRUCTION ACCOUNT**

23	General Fund--State Appropriation (FY 2006)	\$600,000
24	General Fund--State Appropriation (FY 2007)	\$1,000,000
25	TOTAL APPROPRIATION	\$1,600,000

26 The appropriations in this section are subject to the following
27 conditions and limitations: The appropriations are provided solely for
28 deposit in the capitol building construction account.

29 NEW SECTION. **Sec. 710. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
30 **AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

31	Health Services Account--State Appropriation	\$48,000,000
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32 The appropriation in this section is subject to the following
33 conditions and limitations: The director of the department of

1 community, trade, and economic development shall distribute the
 2 appropriations to the following counties and health districts in the
 3 amounts designated:

4	Health District	FY 2006	FY 2007	FY 2005-07
5				Biennium
6	Adams County Health District	\$30,951	\$30,951	\$61,902
7	Asotin County Health District	\$67,714	\$67,714	\$135,428
8	Benton-Franklin Health District	\$1,165,612	\$1,165,612	\$2,331,224
9	Chelan-Douglas Health District	\$184,761	\$184,761	\$369,522
10	Clallam County Health and Human Services Department	\$141,752	\$141,752	\$283,504
11	Southwest Washington Health District	\$1,084,473	\$1,084,473	\$2,168,946
12	Columbia County Health District	\$40,529	\$40,529	\$81,058
13	Cowlitz County Health Department	\$278,560	\$278,560	\$557,120
14	Garfield County Health District	\$15,028	\$15,028	\$30,056
15	Grant County Health District	\$118,595	\$118,595	\$237,191
16	Grays Harbor Health Department	\$183,870	\$183,870	\$367,740
17	Island County Health Department	\$91,892	\$91,892	\$183,784
18	Jefferson County Health and Human Services	\$85,782	\$85,782	\$171,564
19	Seattle-King County Department of Public Health	\$9,531,747	\$9,531,747	\$19,063,494
20	Bremerton-Kitsap County Health District	\$554,669	\$554,669	\$1,109,338
21	Kittitas County Health Department	\$92,499	\$92,499	\$184,998
22	Klickitat County Health Department	\$62,402	\$62,402	\$124,804
23	Lewis County Health Department	\$105,801	\$105,801	\$211,602
24	Lincoln County Health Department	\$29,705	\$29,705	\$59,410
25	Mason County Department of Health Services	\$95,988	\$95,988	\$191,976
26	Okanogan County Health District	\$63,458	\$63,458	\$126,916
27	Pacific County Health Department	\$77,427	\$77,427	\$154,854
28	Tacoma-Pierce County Health Department	\$2,820,590	\$2,820,590	\$5,641,180
29	San Juan County Health and Community Services	\$37,531	\$37,531	\$75,062
30	Skagit County Health Department	\$223,927	\$223,927	\$447,854
31	Snohomish Health District	\$2,258,207	\$2,258,207	\$4,516,414
32	Spokane County Health District	\$2,101,429	\$2,101,429	\$4,202,858
33	Northeast Tri-County Health District	\$110,454	\$110,454	\$220,908
34	Thurston County Health Department	\$600,419	\$600,419	\$1,200,838
35	Wahkiakum County Health Department	\$13,773	\$13,772	\$27,545
36	Walla Walla County-City Health Department	\$172,062	\$172,062	\$344,124

1	Whatcom County Health Department	\$855,863	\$855,863	\$1,711,726
2	Whitman County Health Department	\$78,733	\$78,733	\$157,466
3	Yakima Health District	\$623,797	\$623,797	\$1,247,594
4	TOTAL APPROPRIATIONS	\$24,000,000	\$24,000,000	\$48,000,000

5 NEW SECTION. **Sec. 711. BELATED CLAIMS.** The agencies and
6 institutions of the state may expend moneys appropriated in this act,
7 upon approval of the office of financial management, for the payment of
8 supplies and services furnished to the agency or institution in prior
9 fiscal biennia.

10 NEW SECTION. **Sec. 712.** A new section is added to 2003 1st sp.s.
11 c 25 (uncodified) to read as follows:

12 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--INDIVIDUAL DEVELOPMENT ACCOUNT**

13	General Fund--State Appropriation (FY 2006)	\$510,000
14	General Fund--State Appropriation (FY 2007)	\$511,000
15	TOTAL APPROPRIATION	\$1,021,000

16 The appropriations in this section are subject to the following
17 conditions and limitations: The appropriations in this section are
18 provided solely for deposit in the individual development account. If
19 House Bill No. 1408 is not enacted by June 30, 2005, these amounts
20 shall lapse.

21 NEW SECTION. **Sec. 713. FOR THE DEPARTMENT OF RETIREMENT**
22 **SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS.** The appropriations in
23 this section are subject to the following conditions and limitations:
24 The appropriations for the law enforcement officers' and firefighters'
25 retirement system shall be made on a monthly basis beginning July 1,
26 2005, consistent with chapter 41.45 RCW, and the appropriations for the
27 judges and judicial retirement systems shall be made on a quarterly
28 basis consistent with chapters 2.10 and 2.12 RCW.

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

31	General Fund--State Appropriation (FY 2006)	\$32,450,000
32	General Fund--State Appropriation (FY 2007)	\$38,550,000

33 (a) \$100,000 of the general fund--state appropriations for fiscal
34 year 2006 and \$200,000 of the general fund--state appropriations for

1 fiscal year 2007 are provided solely to implement Substitute House Bill
2 No. 1936 (emergency medical technicians). If the bill is not enacted
3 by June 30, 2005, the amounts provided shall lapse.

4 (b) \$950,000 of the general fund--state appropriation for fiscal
5 year 2006 and \$950,000 of the general fund--state appropriation for
6 fiscal year 2007 are provided solely for the state contributions
7 required under Substitute Senate Bill No. 5615 (law enforcement
8 officers' and fire fighters' retirement system plan 2 disability
9 benefit). If the bill is not enacted by June 30, 2005, the amounts
10 provided shall lapse.

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

13	General Fund--State Appropriation (FY 2006)	\$6,000,000
14	General Fund--State Appropriation (FY 2007)	\$6,000,000

15 (3) There is appropriated for contributions to the judges
16 retirement system:

17	General Fund--State Appropriation (FY 2006)	\$300,000
18	General Fund--State Appropriation (FY 2007)	\$300,000
19	TOTAL APPROPRIATION	\$83,600,000

20 NEW SECTION. **Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
21 **EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

22	General Fund--State Appropriation (FY 2006)	\$6,840,000
23	General Fund--State Appropriation (FY 2007)	\$6,840,000
24	TOTAL APPROPRIATION	\$13,680,000

25 The appropriations in this section are subject to the following
26 conditions and limitations: The appropriations in this section are
27 provided solely for deposit in the education technology revolving
28 account for the purpose of covering ongoing operational and equipment
29 replacement costs incurred by the K-20 educational network program in
30 providing telecommunication services to network participants.

31 NEW SECTION. **Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
32 **BASE REALIGNMENT AND CLOSURE ASSISTANCE**

33	General Fund--State Appropriation (FY 2006)	\$150,000
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34 The appropriation in this section is subject to the following
35 conditions and limitations: The appropriation is provided solely for

1 grants to support projects in Island county, Kitsap county, Pierce
2 county, Snohomish county, and Spokane county when a military base in
3 that county is at risk of being identified for closure on the federal
4 base realignment and closure process. The office of financial
5 management shall establish a process for selecting projects for funding
6 based on criteria used to determine the federal base realignment and
7 closure list and recommendations by the department of community, trade,
8 and economic development and the military department. Final allocation
9 of the grants shall be at the discretion and with the approval of the
10 director of the office of financial management.

11 NEW SECTION. **Sec. 716. FOR THE GOVERNOR--LIFE SCIENCES DISCOVERY**
12 **FUND AUTHORITY**

13 General Fund--State Appropriation (FY 2006) \$150,000

14 The appropriation in this section is subject to the following
15 conditions and limitations: The appropriation in this section is
16 provided solely for a grant to the life sciences discovery fund
17 authority to be used in accordance with Engrossed Second Substitute
18 Senate Bill No. 5581 (life sciences). If the bill is not enacted by
19 June 30, 2005, the appropriation in this section shall lapse.

20 NEW SECTION. **Sec. 717. DOUBLE-FILLED PERSONNEL POSITIONS.** From
21 appropriations in this act, the director of financial management shall
22 reduce general fund--state appropriations for fiscal year 2006 by
23 \$1,333,000 and general fund--state appropriations for fiscal year 2007
24 by \$2,667,000 to reflect the elimination of double-filled personnel
25 positions in which two or more persons occupy the same position in the
26 state personnel system. The allotment reductions shall be placed in
27 unallotted status and remain unexpended.

28 NEW SECTION. **Sec. 718. CRITICAL HIGH DEMAND EMPLOYEES.** From
29 the funds placed in unallotted status under section 717 of this act,
30 the office of financial management may allot up to \$1,333,000 for
31 fiscal year 2006 and \$2,667,000 for fiscal year 2007 to meet critical
32 staffing needs of state agencies, particularly need for employees with
33 high degrees of technical skill in high-demand nonmanagerial
34 occupations. In no event may any of these funds be used, directly or
35 indirectly, to increase employee compensation.

1 NEW SECTION. **Sec. 719. FOR THE OFFICE OF THE GOVERNOR--JOINT**
2 **TASK FORCE ON MENTAL HEALTH**

3	General Fund--State Appropriation (FY 2006)	\$25,000
4	General Fund--State Appropriation (FY 2007)	\$25,000
5	TOTAL APPROPRIATION	\$50,000

6 The appropriations in this section are subject to the following
7 conditions and limitations: Amounts are provided for the task force
8 created in House Bill No. 1290 (community mental health). If House
9 Bill No. 1290 is not enacted by June 30, 2005, the amounts provided in
10 this section shall lapse.

11 NEW SECTION. **Sec. 720. STRATEGIC PURCHASING STRATEGY.** (1) The

12 office of financial management shall work with the appropriate state
13 agencies to generate savings of \$50,000,000, of which \$25,000,000 shall
14 be from the state general fund, that can arise from a strategic
15 purchasing strategy. From appropriations in this act, the office of
16 financial management shall reduce general fund--state allotments by \$8
17 million for fiscal year 2006 and by \$17 million for fiscal year 2007 to
18 reflect the savings from the strategic purchasing strategy. The
19 allotment reductions shall be placed in unallotted status and remain
20 unexpended.

21 (2) The department of general administration, with the assistance
22 of the department of information services and the department of
23 printing and in consultation with the office of financial management,
24 shall conduct an analysis of the state's purchasing processes to
25 identify the most reasonable strategy of attaining a statewide savings
26 target of \$50,000,000 without affecting direct program activities. The
27 analysis shall identify savings by agency and fund that will result
28 from the implementation of a strategic purchasing strategy. The
29 results of this analysis shall then be provided to the director of
30 financial management by October 1, 2005, so the director may use it as
31 the basis to achieve the savings identified in subsection (1) of this
32 section.

33 (3) Before the purchase of goods and services, all state agencies
34 and higher education institutions shall first consider the utilization
35 of current or existing master contracts. All state agencies and higher
36 education institutions shall strive to use master contracts when that

1 use is consistent with the agency's requirements and purchase is
2 financially cost-effective.

3 NEW SECTION. **Sec. 721. WASHINGTON MANAGEMENT SERVICES MIDDLE**
4 **MANAGEMENT REDUCTION.** (1) Appropriations made in this act assume the
5 reduction of 1,000 middle managers.

6 (2) The office of financial management shall report to the fiscal
7 committees of the legislature on the implementation of reduction no
8 later than June 30, 2006, and again no later than June 30, 2007. The
9 report will include the following information for each position
10 eliminated: (a) Job classification; (b) date the position was
11 eliminated; (c) the amount saved by fund source; (d) whether the
12 employee who previously held the vacated position still works in
13 another position within the agency; and (e) whether the employee who
14 previously held the vacated position still works in any other state
15 agency.

16 NEW SECTION. **Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
17 **EXTRAORDINARY CRIMINAL JUSTICE COSTS**

18 Public Safety and Education Account--State
19 Appropriation (FY 2006) \$70,000

20 The appropriation in this section is subject to the following
21 conditions and limitations: The director of financial management shall
22 distribute the appropriation to the following county in the amounts
23 designated for extraordinary criminal justice costs:

24 Grant \$70,000

25 NEW SECTION. **Sec. 723. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
26 **STATE EMERGENCY WATER PROJECTS REVOLVING ACCOUNT**

27 General Fund--State Appropriation (FY 2006) \$725,000

28 The appropriation in this section is subject to the following
29 conditions and limitations: The appropriation in this section is
30 provided solely for deposit in the state emergency water projects
31 revolving account.

32 NEW SECTION. **Sec. 724. INCENTIVE SAVINGS--FY 2006.** The sum of
33 one hundred million dollars or so much thereof as may be available on

1 June 30, 2006, from the total amount of unspent fiscal year 2006 state
2 general fund appropriations is appropriated for the purposes of RCW
3 43.79.460 in the manner provided in this section.

4 (1) Of the total appropriated amount, one-half of that portion that
5 is attributable to incentive savings, not to exceed twenty-five million
6 dollars, is appropriated to the savings incentive account for the
7 purpose of improving the quality, efficiency, and effectiveness of
8 agency services, and credited to the agency that generated the savings.

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

11 NEW SECTION. **Sec. 725. INCENTIVE SAVINGS--FY 2007.** The sum of
12 one hundred million dollars or so much thereof as may be available on
13 June 30, 2007, from the total amount of unspent fiscal year 2007 state
14 general fund appropriations is appropriated for the purposes of RCW
15 43.79.460 in the manner provided in this section.

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

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

23 NEW SECTION. **Sec. 726. NONREPRESENTED EMPLOYEE SALARY SURVEY.**
24 For state employees, except those represented by a bargaining unit
25 under the personnel system reform act of 2002, funding is provided
26 within agency appropriations for implementation of the department of
27 personnel's 2002 salary survey, for job classes more than 25% below
28 market rates.

29 NEW SECTION. **Sec. 727. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
30 **CONTRIBUTIONS TO RETIREMENT SYSTEMS.** Funding is provided within agency
31 appropriations solely for funding agency pension changes as set forth
32 in Substitute House Bill No. 1044 (pension funding methodology).

33 NEW SECTION. **Sec. 728. STATE EMPLOYEE INSURANCE BENEFIT RESERVE.**
34 \$20,000,000 in the public employees' and retirees' insurance account

1 shall be held in reserve and may be expended only to the extent that it
2 is required to prevent the average employee share of medical insurance
3 premiums from rising above 12% due to inflation above the assumed rate
4 and shall not be used to expand benefits or to reduce the average
5 employee share of medical insurance premium costs to less than 12%. If
6 additional funds beyond the amount held in reserve by this section are
7 needed, the legislature intends to appropriate additional funds to
8 cover the cost of inflation, up to a maximum of 11%, in order to
9 maintain the average employee share of medical premiums at no more than
10 12%.

11 NEW SECTION. **Sec. 729. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
12 **PENSION CONTRIBUTION ADJUSTMENTS FOR THE PUBLIC SAFETY EMPLOYEES'**
13 **RETIREMENT SYSTEM**

14	General Fund--State Appropriation (FY 2007)	\$4,400,000
15	Special Account Retirement Contribution Increase	
16	Revolving Account Appropriation	(\$3,900,000)
17	TOTAL APPROPRIATION	\$500,000

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 appropriations to reflect the costs associated
22 with the entry of employees into the public safety employees'
23 retirement system as created by chapter 242, Laws of 2004.

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

(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 (\$6,577,000), General Fund Appropriation for public utility district excise tax distributions (\$45,422,000), General Fund Appropriation for prosecuting attorney distributions (\$3,457,000), General Fund Appropriation for boating safety and education distributions (\$4,430,000), General Fund Appropriation for other tax distributions (\$38,000), Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies (\$1,969,000), Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution (\$147,000), Timber Tax Distribution Account Appropriation for distribution to "timber" counties (\$71,110,000), County Criminal Justice Assistance Appropriation (\$53,914,000), Municipal Criminal Justice Assistance Appropriation (\$21,104,000), Liquor Excise Tax Account Appropriation for liquor excise tax distribution (\$37,413,000), Liquor Revolving Account Appropriation for liquor profits distribution (\$76,186,000), City-County Assistance Account Appropriation for local government financial assistance distribution (\$20,100,000), TOTAL APPROPRIATION (\$350,527,000), and The total expenditures from the state treasury under the

1 appropriations in this section shall not exceed the funds available
2 under statutory distributions for the stated purposes.

3 NEW SECTION. **Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY**
4 **CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

5 Impaired Driving Safety Account Appropriation \$1,913,400

6 The appropriation in this section is subject to the following
7 conditions and limitations: The amount appropriated in this section
8 shall be distributed quarterly during the 2005-07 biennium in
9 accordance with RCW 82.14.310. This funding is provided to counties
10 for the costs of implementing criminal justice legislation including,
11 but not limited to: Chapter 206, Laws of 1998 (drunk driving
12 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
13 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
14 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
15 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
16 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
17 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
18 215, Laws of 1998 (DUI provisions).

19 NEW SECTION. **Sec. 803. FOR THE STATE TREASURER--FOR THE**
20 **MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

21 Impaired Driving Safety Account Appropriation \$1,275,600

22 The appropriation in this section is subject to the following
23 conditions and limitations: The amount appropriated in this section
24 shall be distributed quarterly during the 2005-07 biennium to all
25 cities ratably based on population as last determined by the office of
26 financial management. The distributions to any city that substantially
27 decriminalizes or repeals its criminal code after July 1, 1990, and
28 that does not reimburse the county for costs associated with criminal
29 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
30 which the city is located. This funding is provided to cities for the
31 costs of implementing criminal justice legislation including, but not
32 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
33 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
34 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
35 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
36 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998

1 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
2 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
3 Laws of 1998 (DUI provisions).

4 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**
5 **FOR DISTRIBUTION**

6 General Fund Appropriation for federal grazing
7 fees distribution \$1,632,000
8 General Fund Appropriation for federal flood
9 control funds distribution \$68,000
10 Forest Reserve Fund Appropriation for federal
11 forest reserve fund distribution \$84,500,000
12 TOTAL APPROPRIATION \$86,200,000

13 The total expenditures from the state treasury under the
14 appropriations in this section shall not exceed the funds available
15 under statutory distributions for the stated purposes.

16 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS.** For
17 transfers in this section to the state general fund, pursuant to RCW
18 43.135.035(5), the state expenditure limit shall be increased by the
19 amount of the transfer. The increase shall occur in the fiscal year in
20 which the transfer occurs.

21 State Convention and Trade Center Account:
22 For transfer to the state general fund,
23 \$5,150,000 for fiscal year 2006 and \$5,150,000
24 for fiscal year 2007 \$10,300,000
25 General Fund: For transfer to the tourism
26 development and promotion account, \$150,000
27 for fiscal year 2006 and \$150,000 for fiscal
28 year 2007 \$300,000
29 Financial Services Regulation Account: For transfer
30 to the state general fund, \$778,000 for
31 fiscal year 2006 and \$779,000 for fiscal
32 year 2007 \$1,557,000
33 Public Works Assistance Account: For
34 transfer to the drinking water
35 assistance account, \$8,400,000 for fiscal
36 year 2006 \$8,400,000

1 Tobacco Settlement Account: For transfer
2 to the health services account, in an
3 amount not to exceed the actual balance
4 of the tobacco settlement account \$185,823,000
5 Health Services Account: For transfer to the
6 state general fund, \$45,000,000 for fiscal
7 year 2006 \$45,000,000
8 Health Services Account: For transfer to the
9 tobacco prevention and control account \$23,366,000
10 Health Services Account: For transfer to the
11 water quality account \$7,885,000
12 Health Services Account: For transfer to the
13 violence reduction and drug enforcement
14 account \$6,932,000
15 Public Employees' and Retirees' Insurance Account:
16 For transfer to the state general fund,
17 \$40,000,000 for fiscal year 2006 and
18 \$45,000,000 for fiscal year 2007 \$85,000,000
19 Department of Retirement Systems Expense Account:
20 For transfer to the state general fund,
21 \$2,000,000 for fiscal year 2006 \$2,000,000
22 Secretary of State's Revolving Account: For
23 transfer to the state general fund, \$250,000
24 for fiscal year 2006 and \$250,000 for
25 fiscal year 2007 \$500,000
26 State Treasurer's Service Account: For transfer
27 to the state general fund, \$5,500,000 for fiscal
28 year 2006 and \$5,000,000 for fiscal year
29 2007 \$10,500,000
30 General Fund: For transfer to the water quality
31 account, \$318,000 for fiscal year 2006 and
32 \$319,000 for fiscal year 2007 \$637,000
33 State Toxics Control Account: For transfer to the
34 water quality account \$12,500,000
35 Water Quality Account: For transfer to the
36 water pollution control revolving account \$10,534,000
37 Pollution Liability Insurance Trust Account: For
38 transfer to the state general fund \$7,500,000

1 Drinking Water Assistance Account: For transfer
2 to the drinking water assistance repayment
3 account, an amount not to exceed \$15,000,000
4 Waste Reduction, Recycling, and Litter Control
5 Account: For transfer to the state general
6 fund, \$1,000,000 for fiscal year 2006 and
7 \$1,000,000 for fiscal year 2007 \$2,000,000
8 Public Works Assistance Account: For transfer to
9 the public facility construction loan revolving
10 account, \$4,500,000 for fiscal year 2006 \$4,500,000
11 Nisqually Earthquake Account: For transfer to
12 the disaster response account, \$3,000,000 for
13 fiscal year 2006 \$3,000,000
14 Natural Resources Equipment Revolving Fund: For
15 transfer to the state general fund for fiscal
16 year 2006 \$1,000,000
17 General Fund: For transfer to the violence
18 reduction and drug enforcement account,
19 \$1,500,000 for fiscal year 2006 and \$1,500,000
20 for fiscal year 2007 \$3,000,000
21 Education Legacy Trust Account: For transfer
22 to the student achievement account,
23 \$35,541,000 for fiscal year 2006 and
24 \$102,697,000 for fiscal year 2007 \$138,238,000
25 Tobacco Prevention and Control Account: For
26 transfer to the state general fund, \$13,910,000
27 for fiscal year 2006 \$13,910,000

28 NEW SECTION. **Sec. 806. FOR THE STATE TREASURER--TRANSFERS.** For
29 transfers in this section to the state general fund, pursuant to RCW
30 43.135.035(5), the state expenditure limit shall be increased by the
31 amount of the transfer. The increase shall occur in the fiscal year in
32 which the transfer occurs. The transfers are subject to the enactment
33 of Senate Bill No. 5391 (tricare supplemental insurance), chapter 46,
34 Laws of 2005.

35 Public Employees' and Retirees' Insurance Account:
36 For transfer to the state general fund,
37 \$5,000,000 for fiscal year 2006 and \$12,000,000

1 for fiscal year 2007 \$17,000,000
2 General Fund--State Account: For transfer
3 to the tourism development and promotion
4 account, \$150,000 for fiscal year 2006 and
5 \$150,000 for fiscal year 2007 \$300,000

(End of part)

PART IX
MISCELLANEOUS

NEW SECTION. **Sec. 901. EXPENDITURE AUTHORIZATIONS.** The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2003-05 biennium.

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

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

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

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

1 (e) Progress toward enabling electronic access to public
2 information.

3 (3) Each project will be planned and designed to take optimal
4 advantage of Internet technologies and protocols. Agencies shall
5 ensure that the project is in compliance with the architecture,
6 infrastructure, principles, policies, and standards of digital
7 government as maintained by the information services board.

8 (4) The agency shall produce a feasibility study for information
9 technology projects at the direction of the information services board
10 and in accordance with published department of information services
11 policies and guidelines. At a minimum, such studies shall include a
12 statement of: (a) The purpose or impetus for change; (b) the business
13 value to the agency, including an examination and evaluation of
14 benefits, advantages, and cost; (c) a comprehensive risk assessment
15 based on the proposed project's impact on both citizens and state
16 operations, its visibility, and the consequences of doing nothing; (d)
17 the impact on agency and statewide information infrastructure; and (e)
18 the impact of the proposed enhancements to an agency's information
19 technology capabilities on meeting service delivery demands.

20 (5) The agency shall produce a comprehensive management plan for
21 each project. The plan or plans shall address all factors critical to
22 successful completion of each project. The plan(s) shall include, but
23 is not limited to, the following elements: A description of the
24 problem or opportunity that the information technology project is
25 intended to address; a statement of project objectives and assumptions;
26 a definition and schedule of phases, tasks, and activities to be
27 accomplished; and the estimated cost of each phase. The planning for
28 the phased approach shall be such that the business case justification
29 for a project needs to demonstrate how the project recovers cost or
30 adds measurable value or positive cost benefit to the agency's business
31 functions within each development cycle.

32 (6) The agency shall produce quality assurance plans for
33 information technology projects. Consistent with the direction of the
34 information services board and the published policies and guidelines of
35 the department of information services, the quality assurance plan
36 shall address all factors critical to successful completion of the
37 project and successful integration with the agency and state
38 information technology infrastructure. At a minimum, quality assurance

1 plans shall provide time and budget benchmarks against which project
2 progress can be measured, a specification of quality assurance
3 responsibilities, and a statement of reporting requirements. The
4 quality assurance plans shall set out the functionality requirements
5 for each phase of a project.

6 (7) A copy of each feasibility study, project management plan, and
7 quality assurance plan shall be provided to the department of
8 information services, the office of financial management, and
9 legislative fiscal committees. The plans and studies shall demonstrate
10 a sound business case that justifies the investment of taxpayer funds
11 on any new project, an assessment of the impact of the proposed system
12 on the existing information technology infrastructure, the disciplined
13 use of preventative measures to mitigate risk, and the leveraging of
14 private-sector expertise as needed. Authority to expend any funds for
15 individual information systems projects is conditioned on the approval
16 of the relevant feasibility study, project management plan, and quality
17 assurance plan by the department of information services and the office
18 of financial management.

19 (8) Quality assurance status reports shall be submitted to the
20 department of information services, the office of financial management,
21 and legislative fiscal committees at intervals specified in the
22 project's quality assurance plan.

23 NEW SECTION. **Sec. 903. BUSINESS CONTINUITY AND DISASTER**
24 **RECOVERY.** State agencies shall comply with the business continuity and
25 disaster recovery policies, guidelines, and statements of direction
26 developed by the department of information services and the information
27 services board in consultation with state agencies. To ensure that
28 agency business continuity and disaster recovery activities identify
29 the primary risks across state agencies, account for dependencies
30 between agencies, capitalize on economies of scale, and avoid
31 unnecessary duplication of costs and efforts, state agencies shall
32 receive the prior approval of the department of information services
33 before implementing business continuity and disaster recovery
34 strategies and expending funds for business continuity activities.

35 NEW SECTION. **Sec. 904. VIDEO TELECOMMUNICATIONS.** The department
36 of information services shall act as lead agency in coordinating video

1 telecommunications services for state agencies. As lead agency, the
2 department shall develop standards and common specifications for leased
3 and purchased telecommunications equipment and assist state agencies in
4 developing a video telecommunications expenditure plan. No agency may
5 spend any portion of any appropriation in this act for new video
6 telecommunication equipment, new video telecommunication transmission,
7 or new video telecommunication programming, or for expanding current
8 video telecommunication systems without first complying with chapter
9 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
10 without first submitting a video telecommunications expenditure plan,
11 in accordance with the policies of the department of information
12 services, for review and assessment by the department of information
13 services under RCW 43.105.052. Prior to any such expenditure by a
14 public school, a video telecommunications expenditure plan shall be
15 approved by the superintendent of public instruction. The office of
16 the superintendent of public instruction shall submit the plans to the
17 department of information services in a form prescribed by the
18 department. The office of the superintendent of public instruction
19 shall coordinate the use of video telecommunications in public schools
20 by providing educational information to local school districts and
21 shall assist local school districts and educational service districts
22 in telecommunications planning and curriculum development. Prior to
23 any such expenditure by a public institution of postsecondary
24 education, a telecommunications expenditure plan shall be approved by
25 the higher education coordinating board. The higher education
26 coordinating board shall coordinate the use of video telecommunications
27 for instruction and instructional support in postsecondary education,
28 including the review and approval of instructional telecommunications
29 course offerings.

30 NEW SECTION. **Sec. 905. PROGRAM COST SHIFTS.** Any program costs
31 or moneys in this act that are shifted to the general fund from another
32 fund or account require an adjustment to the expenditure limit under
33 RCW 43.135.035(5).

34 NEW SECTION. **Sec. 906. EMERGENCY FUND ALLOCATIONS.** Whenever
35 allocations are made from the governor's emergency fund appropriation
36 to an agency that is financed in whole or in part by other than general

1 fund moneys, the director of financial management may direct the
2 repayment of such allocated amount to the general fund from any balance
3 in the fund or funds which finance the agency. No appropriation shall
4 be necessary to effect such repayment.

5 NEW SECTION. **Sec. 907. STATUTORY APPROPRIATIONS.** In addition
6 to the amounts appropriated in this act for revenues for distribution,
7 state contributions to the law enforcement officers' and fire fighters'
8 retirement system plan 2, and bond retirement and interest including
9 ongoing bond registration and transfer charges, transfers, interest on
10 registered warrants, and certificates of indebtedness, there is also
11 appropriated such further amounts as may be required or available for
12 these purposes under any statutory formula or under chapters 39.94 and
13 39.96 RCW or any proper bond covenant made under law.

14 NEW SECTION. **Sec. 908. BOND EXPENSES.** In addition to such other
15 appropriations as are made by this act, there is hereby appropriated to
16 the state finance committee from legally available bond proceeds in the
17 applicable construction or building funds and accounts such amounts as
18 are necessary to pay the expenses incurred in the issuance and sale of
19 the subject bonds.

20 NEW SECTION. **Sec. 909. VOLUNTARY SEPARATION INCENTIVES.** As a
21 management tool to reduce costs and make more effective use of
22 resources, while improving employee productivity and morale, agencies
23 may offer voluntary separation and/or downshifting incentives and
24 options according to procedures and guidelines established by the
25 department of personnel and the department of retirement systems in
26 consultation with the office of financial management. The options may
27 include, but are not limited to, financial incentives for: Voluntary
28 resignation and retirement, voluntary leave-without-pay, voluntary
29 workweek or work hour reduction, voluntary downward movement, or
30 temporary separation for development purposes. No employee shall have
31 a contractual right to a financial incentive offered pursuant to this
32 section. Agencies shall report on the outcomes of their plans, and
33 offers shall be reviewed and monitored jointly by the department of
34 personnel and the department of retirement systems, for reporting to
35 the office of financial management by December 1, 2006.

1 NEW SECTION. **Sec. 910. VOLUNTARY RETIREMENT INCENTIVES.** It is
2 the intent of the legislature that agencies may implement a voluntary
3 retirement incentive program that is cost neutral or results in cost
4 savings provided that such a program is approved by the director of
5 retirement systems and the office of financial management. Agencies
6 participating in this authorization are required to submit a report by
7 June 30, 2007, to the legislature and the office of financial
8 management on the outcome of their approved retirement incentive
9 program. The report should include information on the details of the
10 program including resulting service delivery changes, agency
11 efficiencies, the cost of the retirement incentive per participant, the
12 total cost to the state, and the projected or actual net dollar savings
13 over the 2005-07 biennium.

14 NEW SECTION. **Sec. 911. AGENCY EXPENDITURES FOR MOTOR VEHICLES.**
15 The use of hybrid motor vehicles reduces air contaminants, greenhouse
16 gas emissions and reliance on imported sources of petroleum. To foster
17 the use of hybrid motor vehicles, beginning July 1, 2005, before the
18 purchase or lease of a motor vehicle, state agencies should first
19 consider the feasibility of hybrid motor vehicles. State agencies
20 should strive to purchase or lease a hybrid motor vehicle when the use
21 of such vehicle is consistent with and can accomplish the agency's
22 mission and when the purchase is financially reasonable. The financial
23 assessment should include savings accruing from reduced fuel purchases
24 over the life of the vehicle. Agencies shall report on their purchases
25 of hybrid vehicles in their biennial sustainability plans as required
26 under executive order 02-03.

27 **Sec. 912.** RCW 28A.160.195 and 2004 c 276 s 904 are each amended to
28 read as follows:

29 (1) The superintendent of public instruction, in consultation with
30 the regional transportation coordinators of the educational service
31 districts, shall establish a minimum number of school bus categories
32 considering the capacity and type of vehicles required by school
33 districts in Washington. The superintendent, in consultation with the
34 regional transportation coordinators of the educational service
35 districts, shall establish competitive specifications for each category
36 of school bus. The categories shall be developed to produce minimum

1 long-range operating costs, including costs of equipment and all costs
2 in operating the vehicles. The categories, for purposes of comparative
3 studies, will be at a minimum the same as those in the beginning of the
4 1994-95 school year. The competitive specifications shall meet federal
5 motor vehicle safety standards, minimum state specifications as
6 established by rule by the superintendent, and supported options as
7 determined by the superintendent in consultation with the regional
8 transportation coordinators of the educational service districts. In
9 fiscal (~~(year 2005)~~) years 2006 and 2007, the superintendent may
10 solicit and accept price quotes for a rear-engine category school bus
11 that shall be reimbursed at the price of the corresponding front engine
12 category.

13 (2) After establishing school bus categories and competitive
14 specifications, the superintendent of public instruction shall solicit
15 competitive price quotes from school bus dealers to be in effect for
16 one year and shall (a) except in fiscal (~~(year 2005)~~) years 2006 and
17 2007, establish a list of the lowest competitive price quotes obtained
18 under this subsection, and (b) in fiscal (~~(year 2005)~~) years 2006 and
19 2007, establish a list of all accepted price quotes in each category
20 obtained under this subsection.

21 (3) The superintendent shall base the level of reimbursement to
22 school districts and educational service districts for school buses on
23 the lowest quote in each category.

24 (4) Notwithstanding RCW 28A.335.190, school districts and
25 educational service districts may purchase at the quoted price directly
26 from the dealer who is providing the lowest competitive price quote on
27 the list established under subsection (2) of this section and in fiscal
28 (~~(year 2005)~~) years 2006 and 2007 from any dealer on the list
29 established under subsection (2)(b) of this section. School districts
30 and educational service districts may make their own selections for
31 school buses, but shall be reimbursed at the rates determined under
32 subsection (3) of this section and RCW 28A.160.200. District-selected
33 options shall not be reimbursed by the state. For the (~~(2003-05)~~)
34 2005-2007 fiscal biennium, school districts and educational service
35 districts shall be reimbursed for buses purchased only through a
36 lowest-price competitive bid process conducted pursuant to RCW
37 28A.335.190 or through the state bid process established by this
38 section.

1 (5) This section does not prohibit school districts or educational
2 service districts from conducting their own competitive bid process.

3 (6) The superintendent of public instruction may adopt rules under
4 chapter 34.05 RCW to implement this section.

5 **Sec. 913.** RCW 28A.305.210 and 2003 1st sp.s. c 25 s 911 are each
6 amended to read as follows:

7 (1) The state board of education, by rule or regulation, may
8 require the assistance of educational service district boards and/or
9 superintendents in the performance of any duty, authority, or power
10 imposed upon or granted to the state board of education by law, upon
11 such terms and conditions as the state board of education shall
12 establish. Such authority to assist the state board of education shall
13 be limited to the service function of information collection and
14 dissemination and the attestment to the accuracy and completeness of
15 submitted information.

16 (2) During the ((2003-05)) 2005-2007 biennium, educational service
17 districts may, at the request of the state board of education, receive
18 and screen applications for school accreditation, conduct school
19 accreditation site visits pursuant to state board of education rules,
20 and submit to the state board of education postsite visit
21 recommendations for school accreditation. The educational service
22 districts may assess a cooperative service fee to recover actual plus
23 reasonable indirect costs for the purposes of this subsection.

24 **Sec. 914.** RCW 28A.500.030 and 2003 1st sp.s. c 25 s 912 are each
25 amended to read as follows:

26 Allocation of state matching funds to eligible districts for local
27 effort assistance shall be determined as follows:

28 (1) Funds raised by the district through maintenance and operation
29 levies shall be matched with state funds using the following ratio of
30 state funds to levy funds:

31 (a) The difference between the district's twelve percent levy rate
32 and the statewide average twelve percent levy rate; to

33 (b) The statewide average twelve percent levy rate.

34 (2) The maximum amount of state matching funds for districts
35 eligible for local effort assistance shall be the district's twelve
36 percent levy amount, multiplied by the following percentage:

1 (a) The difference between the district's twelve percent levy rate
2 and the statewide average twelve percent levy rate; divided by

3 (b) The district's twelve percent levy rate.

4 (3) Calendar year 2003 allocations and maximum eligibility under
5 this chapter shall be multiplied by 0.99.

6 (4) From January 1, 2004, to (~~June 30,~~) December 31, 2005,
7 allocations and maximum eligibility under this chapter shall be
8 multiplied by 0.937.

9 (5) From January 1, 2006, to June 30, 2007, allocations and maximum
10 eligibility under this chapter shall be multiplied by 0.9563.

11 **Sec. 915.** RCW 28A.600.110 and 2004 c 275 s 46 are each amended to
12 read as follows:

13 There is established by the legislature of the state of Washington
14 the Washington state scholars program. The purposes of this program
15 annually are to:

16 (1) Provide for the selection of three seniors residing in each
17 legislative district in the state graduating from high schools who have
18 distinguished themselves academically among their peers, except that
19 during fiscal year 2007, no more than two seniors plus one alternate
20 may be selected.

21 (2) Maximize public awareness of the academic achievement,
22 leadership ability, and community contribution of Washington state
23 public and private high school seniors through appropriate recognition
24 ceremonies and events at both the local and state level.

25 (3) Provide a listing of the Washington scholars to all Washington
26 state public and private colleges and universities to facilitate
27 communication regarding academic programs and scholarship availability.

28 (4) Make available a state level mechanism for utilization of
29 private funds for scholarship awards to outstanding high school
30 seniors.

31 (5) Provide, on written request and with student permission, a
32 listing of the Washington scholars to private scholarship selection
33 committees for notification of scholarship availability.

34 (6) Permit a waiver of tuition and services and activities fees as
35 provided for in RCW 28B.15.543 and grants under RCW 28B.76.660.

1 **Sec. 916.** RCW 28A.600.150 and 1999 c 159 s 2 are each amended to
2 read as follows:

3 Each year, three Washington scholars and one Washington scholars-
4 alternate shall be selected from the students nominated under RCW
5 28A.600.140, except that during fiscal year 2007, no more than two
6 scholars plus one alternate may be selected. The higher education
7 coordinating board shall notify the students so designated, their high
8 school principals, the legislators of their respective districts, and
9 the governor when final selections have been made.

10 The board, in conjunction with the governor's office, shall prepare
11 appropriate certificates to be presented to the Washington scholars and
12 the Washington scholars-alternates. An awards ceremony at an
13 appropriate time and place shall be planned by the board in cooperation
14 with the Washington association of secondary school principals, and
15 with the approval of the governor.

16 **Sec. 917.** RCW 28B.76.660 and 2004 c 275 s 24 are each amended to
17 read as follows:

18 (1) Recipients of the Washington scholars award or the Washington
19 scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who
20 choose to attend an independent college or university in this state, as
21 defined in subsection (4) of this section, and recipients of the award
22 named after June 30, 1994, who choose to attend a public college or
23 university in the state may receive grants under this section if moneys
24 are available. The higher education coordinating board shall
25 distribute grants to eligible students under this section from moneys
26 appropriated for this purpose. The individual grants shall not exceed,
27 on a yearly basis, the yearly, full-time, resident, undergraduate
28 tuition and service and activities fees in effect at the state-funded
29 research universities. Grants to recipients attending an independent
30 institution shall be contingent upon the institution matching on at
31 least a dollar-for-dollar basis, either with actual money or by a
32 waiver of fees, the amount of the grant received by the student from
33 the state. The higher education coordinating board shall establish
34 procedures, by rule, to disburse the awards as direct grants to the
35 students.

36 (2) The higher education coordinating board shall establish rules
37 that provide for the annual awarding of grants, if moneys are

1 available, to three Washington scholars per legislative district except
2 for fiscal year 2007 when no more than two scholars per district shall
3 be selected; and, if not used by an original recipient, to the
4 Washington scholars-alternate from the same legislative district.

5 Beginning with scholars selected in the year 2000, if the
6 recipients of grants fail to demonstrate in a timely manner that they
7 will enroll in a Washington institution of higher education in the fall
8 term of the academic year following the award of the grant or are
9 deemed by the higher education coordinating board to have withdrawn
10 from college during the first academic year following the award, then
11 the grant shall be considered relinquished. The higher education
12 coordinating board may then award any remaining grant amounts to the
13 Washington scholars-alternate from the same legislative district if the
14 grants are awarded within one calendar year of the recipient being
15 named a Washington scholars-alternate. Washington scholars-alternates
16 named as recipients of the grant must also demonstrate in a timely
17 manner that they will enroll in a Washington institution of higher
18 education during the next available term, as determined by the higher
19 education coordinating board. The board may accept appeals and grant
20 waivers to the enrollment requirements of this section based on
21 exceptional mitigating circumstances of individual grant recipients.

22 To maintain eligibility for the grants, recipients must maintain a
23 minimum grade point average at the college or university equivalent to
24 3.30. Students shall be eligible to receive a maximum of twelve
25 quarters or eight semesters of grants for undergraduate study and may
26 transfer among in-state public and independent colleges and
27 universities during that period and continue to receive the grant as
28 provided under RCW 28B.76.665. If the student's cumulative grade point
29 average falls below 3.30 during the first three quarters or two
30 semesters, that student may petition the higher education coordinating
31 board which shall have the authority to establish a probationary period
32 until such time as the student's grade point average meets required
33 standards.

34 (3) No grant shall be awarded to any student who is pursuing a
35 degree in theology.

36 (4) As used in this section, "independent college or university"
37 means a private, nonprofit educational institution, the main campus of
38 which is permanently situated in the state, open to residents of the

1 state, providing programs of education beyond the high school level
2 leading at least to the baccalaureate degree, and accredited by the
3 northwest association of schools and colleges as of June 9, 1988, and
4 other institutions as may be developed that are approved by the higher
5 education coordinating board as meeting equivalent standards as those
6 institutions accredited under this section.

7 (5) As used in this section, "public college or university" means
8 an institution of higher education as defined in RCW 28B.10.016.

9 **Sec. 918.** RCW 28B.102.040 and 2004 c 276 s 905, 2004 c 275 s 68,
10 and 2004 c 58 s 4 are each reenacted and amended to read as follows:

11 (1) The board may select participants based on an application
12 process conducted by the board or the board may utilize selection
13 processes for similar students in cooperation with the professional
14 educator standards board or the office of the superintendent of public
15 instruction.

16 (2) If the board selects participants for the program, it shall
17 establish a selection committee for screening and selecting recipients
18 of the conditional scholarships. The criteria shall emphasize factors
19 demonstrating excellence including but not limited to superior
20 scholastic achievement, leadership ability, community contributions,
21 bilingual ability, willingness to commit to providing teaching service
22 in shortage areas, and an ability to act as a role model for students.
23 Priority will be given to individuals seeking certification or an
24 additional endorsement in math, science, technology, or special
25 education.

26 (~~Subject to enactment of chapter 58, Laws of 2004,~~) For fiscal
27 years ((2005)) 2006 and 2007, additional priority shall be given to
28 such individuals who are also bilingual. It is the intent of the
29 legislature to develop a pool of dual-language teachers in order to
30 meet the challenge of educating students who are dominant in languages
31 other than English.

32 **Sec. 919.** RCW 41.05.050 and 2003 c 158 s 1 are each amended to
33 read as follows:

34 (1) Every department, division, or separate agency of state
35 government, and such county, municipal, school district, educational
36 service district, or other political subdivisions as are covered by

1 this chapter, shall provide contributions to insurance and health care
2 plans for its employees and their dependents, the content of such plans
3 to be determined by the authority. Contributions, paid by the county,
4 the municipality, or other political subdivision for their employees,
5 shall include an amount determined by the authority to pay such
6 administrative expenses of the authority as are necessary to administer
7 the plans for employees of those groups, except as provided in
8 subsection (4) of this section.

9 (2) If the authority at any time determines that the participation
10 of a county, municipal, or other political subdivision covered under
11 this chapter adversely impacts insurance rates for state employees, the
12 authority shall implement limitations on the participation of
13 additional county, municipal, or other political subdivisions.

14 (3) The contributions of any department, division, or separate
15 agency of the state government, and such county, municipal, or other
16 political subdivisions as are covered by this chapter, shall be set by
17 the authority, subject to the approval of the governor for availability
18 of funds as specifically appropriated by the legislature for that
19 purpose. Insurance and health care contributions for ferry employees
20 shall be governed by RCW 47.64.270.

21 (4)(a) Beginning September 1, 2003, the authority shall collect
22 from each participating school district and educational service
23 district an amount equal to the composite rate charged to state
24 agencies, plus an amount equal to the employee premiums by plan and
25 family size as would be charged to state employees, for groups of
26 district employees enrolled in authority plans as of January 1, 2003.
27 However, during the 2005-07 fiscal biennium, the authority shall
28 collect from each participating school district and educational service
29 district an amount equal to the insurance benefit allocations provided
30 in section 504 of this act, plus any additional funding provided by the
31 legislature for school employee health benefits, plus an amount equal
32 to the employee premiums by plan and family size as would be charged to
33 state employees, for groups of district employees enrolled in authority
34 plans as of July 1, 2005.

35 (b) For all groups of district employees enrolling in authority
36 plans for the first time after September 1, 2003, the authority shall
37 collect from each participating school district an amount equal to the
38 composite rate charged to state agencies, plus an amount equal to the

1 employee premiums by plan and by family size as would be charged to
2 state employees, only if the authority determines that this method of
3 billing the districts will not result in a material difference between
4 revenues from districts and expenditures made by the authority on
5 behalf of districts and their employees.

6 (c) If the authority determines at any time that the conditions in
7 (b) of this subsection cannot be met, the authority shall offer
8 enrollment to additional groups of district employees on a tiered rate
9 structure until such time as the authority determines there would be no
10 material difference between revenues and expenditures under a composite
11 rate structure for all district employees enrolled in authority plans.

12 (d) The authority may charge districts a one-time set-up fee for
13 employee groups enrolling in authority plans for the first time.

14 (e) For the purposes of this subsection:

15 (i) "District" means school district and educational service
16 district; and

17 (ii) "Tiered rates" means the amounts the authority must pay to
18 insuring entities by plan and by family size.

19 (f) Notwithstanding this subsection and RCW 41.05.065(3), the
20 authority may allow districts enrolled on a tiered rate structure prior
21 to September 1, 2002, to continue participation based on the same rate
22 structure and under the same conditions and eligibility criteria.

23 (5) The authority shall transmit a recommendation for the amount of
24 the employer contribution to the governor and the director of financial
25 management for inclusion in the proposed budgets submitted to the
26 legislature.

27 **Sec. 920.** RCW 41.05.065 and 2003 c 158 s 2 are each amended to
28 read as follows:

29 (1) The board shall study all matters connected with the provision
30 of health care coverage, life insurance, liability insurance,
31 accidental death and dismemberment insurance, and disability income
32 insurance or any of, or a combination of, the enumerated types of
33 insurance for employees and their dependents on the best basis possible
34 with relation both to the welfare of the employees and to the state.
35 However, liability insurance shall not be made available to dependents.

36 (2) The board shall develop employee benefit plans that include

1 comprehensive health care benefits for all employees. In developing
2 these plans, the board shall consider the following elements:

3 (a) Methods of maximizing cost containment while ensuring access to
4 quality health care;

5 (b) Development of provider arrangements that encourage cost
6 containment and ensure access to quality care, including but not
7 limited to prepaid delivery systems and prospective payment methods;

8 (c) Wellness incentives that focus on proven strategies, such as
9 smoking cessation, injury and accident prevention, reduction of alcohol
10 misuse, appropriate weight reduction, exercise, automobile and
11 motorcycle safety, blood cholesterol reduction, and nutrition
12 education;

13 (d) Utilization review procedures including, but not limited to a
14 cost-efficient method for prior authorization of services, hospital
15 inpatient length of stay review, requirements for use of outpatient
16 surgeries and second opinions for surgeries, review of invoices or
17 claims submitted by service providers, and performance audit of
18 providers;

19 (e) Effective coordination of benefits;

20 (f) Minimum standards for insuring entities; and

21 (g) Minimum scope and content of public employee benefit plans to
22 be offered to enrollees participating in the employee health benefit
23 plans. To maintain the comprehensive nature of employee health care
24 benefits, employee eligibility criteria related to the number of hours
25 worked and the benefits provided to employees shall be substantially
26 equivalent to the state employees' health benefits plan and eligibility
27 criteria in effect on January 1, 1993. Nothing in this subsection
28 (2)(g) shall prohibit changes or increases in employee point-of-service
29 payments or employee premium payments for benefits.

30 (3) The board shall design benefits and determine the terms and
31 conditions of employee participation and coverage, including
32 establishment of eligibility criteria. The same terms and conditions
33 of participation and coverage, including eligibility criteria, shall
34 apply to state employees and to school district employees and
35 educational service district employees.

36 (4) The board may authorize premium contributions for an employee
37 and the employee's dependents in a manner that encourages the use of
38 cost-efficient managed health care systems. During the 2005-2007

1 fiscal biennium, the board may only authorize premium contributions for
2 an employee and the employee's dependents that are the same, regardless
3 of an employee's status as represented or nonrepresented by a
4 collective bargaining unit under the personnel system reform act of
5 2002. The board shall require participating school district and
6 educational service district employees to pay at least the same
7 employee premiums by plan and family size as state employees pay.

8 (5) Employees shall choose participation in one of the health care
9 benefit plans developed by the board and may be permitted to waive
10 coverage under terms and conditions established by the board.

11 (6) The board shall review plans proposed by insuring entities that
12 desire to offer property insurance and/or accident and casualty
13 insurance to state employees through payroll deduction. The board may
14 approve any such plan for payroll deduction by insuring entities
15 holding a valid certificate of authority in the state of Washington and
16 which the board determines to be in the best interests of employees and
17 the state. The board shall promulgate rules setting forth criteria by
18 which it shall evaluate the plans.

19 (7) Before January 1, 1998, the public employees' benefits board
20 shall make available one or more fully insured long-term care insurance
21 plans that comply with the requirements of chapter 48.84 RCW. Such
22 programs shall be made available to eligible employees, retired
23 employees, and retired school employees as well as eligible dependents
24 which, for the purpose of this section, includes the parents of the
25 employee or retiree and the parents of the spouse of the employee or
26 retiree. Employees of local governments and employees of political
27 subdivisions not otherwise enrolled in the public employees' benefits
28 board sponsored medical programs may enroll under terms and conditions
29 established by the administrator, if it does not jeopardize the
30 financial viability of the public employees' benefits board's long-term
31 care offering.

32 (a) Participation of eligible employees or retired employees and
33 retired school employees in any long-term care insurance plan made
34 available by the public employees' benefits board is voluntary and
35 shall not be subject to binding arbitration under chapter 41.56 RCW.
36 Participation is subject to reasonable underwriting guidelines and
37 eligibility rules established by the public employees' benefits board
38 and the health care authority.

1 (b) The employee, retired employee, and retired school employee are
2 solely responsible for the payment of the premium rates developed by
3 the health care authority. The health care authority is authorized to
4 charge a reasonable administrative fee in addition to the premium
5 charged by the long-term care insurer, which shall include the health
6 care authority's cost of administration, marketing, and consumer
7 education materials prepared by the health care authority and the
8 office of the insurance commissioner.

9 (c) To the extent administratively possible, the state shall
10 establish an automatic payroll or pension deduction system for the
11 payment of the long-term care insurance premiums.

12 (d) The public employees' benefits board and the health care
13 authority shall establish a technical advisory committee to provide
14 advice in the development of the benefit design and establishment of
15 underwriting guidelines and eligibility rules. The committee shall
16 also advise the board and authority on effective and cost-effective
17 ways to market and distribute the long-term care product. The
18 technical advisory committee shall be comprised, at a minimum, of
19 representatives of the office of the insurance commissioner, providers
20 of long-term care services, licensed insurance agents with expertise in
21 long-term care insurance, employees, retired employees, retired school
22 employees, and other interested parties determined to be appropriate by
23 the board.

24 (e) The health care authority shall offer employees, retired
25 employees, and retired school employees the option of purchasing long-
26 term care insurance through licensed agents or brokers appointed by the
27 long-term care insurer. The authority, in consultation with the public
28 employees' benefits board, shall establish marketing procedures and may
29 consider all premium components as a part of the contract negotiations
30 with the long-term care insurer.

31 (f) In developing the long-term care insurance benefit designs, the
32 public employees' benefits board shall include an alternative plan of
33 care benefit, including adult day services, as approved by the office
34 of the insurance commissioner.

35 (g) The health care authority, with the cooperation of the office
36 of the insurance commissioner, shall develop a consumer education
37 program for the eligible employees, retired employees, and retired
38 school employees designed to provide education on the potential need

1 for long-term care, methods of financing long-term care, and the
2 availability of long-term care insurance products including the
3 products offered by the board.

4 (h) By December 1998, the health care authority, in consultation
5 with the public employees' benefits board, shall submit a report to the
6 appropriate committees of the legislature, including an analysis of the
7 marketing and distribution of the long-term care insurance provided
8 under this section.

9 **Sec. 921.** RCW 41.05.120 and 1994 c 153 s 9 are each amended to
10 read as follows:

11 (1) The public employees' and retirees' insurance account is hereby
12 established in the custody of the state treasurer, to be used by the
13 administrator for the deposit of contributions, the remittance paid by
14 school districts and educational service districts (~~under RCW~~
15 ~~28A.400.400~~)), reserves, dividends, and refunds, and for payment of
16 premiums for employee and retiree insurance benefit contracts and
17 subsidy amounts provided under RCW 41.05.085. Moneys from the account
18 shall be disbursed by the state treasurer by warrants on vouchers duly
19 authorized by the administrator.

20 (2) The state treasurer and the state investment board may invest
21 moneys in the public employees' and retirees' insurance account. All
22 such investments shall be in accordance with RCW 43.84.080 or
23 43.84.150, whichever is applicable. The administrator shall determine
24 whether the state treasurer or the state investment board or both shall
25 invest moneys in the public employees' insurance account.

26 (3) During the 2005-07 fiscal biennium, the legislature may
27 transfer from the public employees' and retirees' insurance account
28 such amounts as reflect the excess fund balance of the fund.

29 **Sec. 922.** RCW 41.50.110 and 2003 1st sp.s. c 25 s 914 are each
30 amended to read as follows:

31 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
32 section, all expenses of the administration of the department, the
33 expenses of administration of the retirement systems, and the expenses
34 of the administration of the office of the state actuary created in
35 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 43.43, and

1 44.44 RCW shall be paid from the department of retirement systems
2 expense fund.

3 (2) In order to reimburse the department of retirement systems
4 expense fund on an equitable basis the department shall ascertain and
5 report to each employer, as defined in RCW 41.26.030, 41.32.010,
6 41.35.010, or 41.40.010, the sum necessary to defray its proportional
7 share of the entire expense of the administration of the retirement
8 system that the employer participates in during the ensuing biennium or
9 fiscal year whichever may be required. Such sum is to be computed in
10 an amount directly proportional to the estimated entire expense of the
11 administration as the ratio of monthly salaries of the employer's
12 members bears to the total salaries of all members in the entire
13 system. It shall then be the duty of all such employers to include in
14 their budgets or otherwise provide the amounts so required.

15 (3) The department shall compute and bill each employer, as defined
16 in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of
17 each month for the amount due for that month to the department of
18 retirement systems expense fund and the same shall be paid as are its
19 other obligations. Such computation as to each employer shall be made
20 on a percentage rate of salary established by the department. However,
21 the department may at its discretion establish a system of billing
22 based upon calendar year quarters in which event the said billing shall
23 be at the end of each such quarter.

24 (4) The director may adjust the expense fund contribution rate for
25 each system at any time when necessary to reflect unanticipated costs
26 or savings in administering the department.

27 (5) An employer who fails to submit timely and accurate reports to
28 the department may be assessed an additional fee related to the
29 increased costs incurred by the department in processing the deficient
30 reports. Fees paid under this subsection shall be deposited in the
31 retirement system expense fund.

32 (a) Every six months the department shall determine the amount of
33 an employer's fee by reviewing the timeliness and accuracy of the
34 reports submitted by the employer in the preceding six months. If
35 those reports were not both timely and accurate the department may
36 prospectively assess an additional fee under this subsection.

37 (b) An additional fee assessed by the department under this
38 subsection shall not exceed fifty percent of the standard fee.

1 (c) The department shall adopt rules implementing this section.

2 (6) Expenses other than those under RCW 41.34.060(3) shall be paid
3 pursuant to subsection (1) of this section.

4 (7) During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature
5 may transfer from the department of retirement systems' expense fund to
6 the state general fund such amounts as reflect the excess fund balance
7 of the fund.

8 **Sec. 923.** RCW 41.50.110 and 2004 c 242 s 46 are each amended to
9 read as follows:

10 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
11 section, all expenses of the administration of the department, the
12 expenses of administration of the retirement systems, and the expenses
13 of the administration of the office of the state actuary created in
14 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43,
15 and 44.44 RCW shall be paid from the department of retirement systems
16 expense fund.

17 (2) In order to reimburse the department of retirement systems
18 expense fund on an equitable basis the department shall ascertain and
19 report to each employer, as defined in RCW 41.26.030, 41.32.010,
20 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its
21 proportional share of the entire expense of the administration of the
22 retirement system that the employer participates in during the ensuing
23 biennium or fiscal year whichever may be required. Such sum is to be
24 computed in an amount directly proportional to the estimated entire
25 expense of the administration as the ratio of monthly salaries of the
26 employer's members bears to the total salaries of all members in the
27 entire system. It shall then be the duty of all such employers to
28 include in their budgets or otherwise provide the amounts so required.

29 (3) The department shall compute and bill each employer, as defined
30 in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the
31 end of each month for the amount due for that month to the department
32 of retirement systems expense fund and the same shall be paid as are
33 its other obligations. Such computation as to each employer shall be
34 made on a percentage rate of salary established by the department.
35 However, the department may at its discretion establish a system of
36 billing based upon calendar year quarters in which event the said
37 billing shall be at the end of each such quarter.

1 (4) The director may adjust the expense fund contribution rate for
2 each system at any time when necessary to reflect unanticipated costs
3 or savings in administering the department.

4 (5) An employer who fails to submit timely and accurate reports to
5 the department may be assessed an additional fee related to the
6 increased costs incurred by the department in processing the deficient
7 reports. Fees paid under this subsection shall be deposited in the
8 retirement system expense fund.

9 (a) Every six months the department shall determine the amount of
10 an employer's fee by reviewing the timeliness and accuracy of the
11 reports submitted by the employer in the preceding six months. If
12 those reports were not both timely and accurate the department may
13 prospectively assess an additional fee under this subsection.

14 (b) An additional fee assessed by the department under this
15 subsection shall not exceed fifty percent of the standard fee.

16 (c) The department shall adopt rules implementing this section.

17 (6) Expenses other than those under RCW 41.34.060(3) shall be paid
18 pursuant to subsection (1) of this section.

19 (7) During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature
20 may transfer from the department of retirement systems' expense fund to
21 the state general fund such amounts as reflect the excess fund balance
22 of the fund.

23 **Sec. 924.** RCW 43.07.130 and 1994 c 211 s 1311 are each amended to
24 read as follows:

25 There is created within the state treasury a revolving fund, to be
26 known as the "secretary of state's revolving fund," which shall be used
27 by the office of the secretary of state to defray the costs of
28 printing, reprinting, or distributing printed matter authorized by law
29 to be issued by the office of the secretary of state, and any other
30 cost of carrying out the functions of the secretary of state under
31 Title 23B RCW, or chapters 18.100, 23.86, 23.90, 24.03, 24.06, 24.12,
32 24.20, 24.24, 24.28, 24.36, 25.15, or 25.10 RCW.

33 The secretary of state is hereby authorized to charge a fee for
34 such publications in an amount which will compensate for the costs of
35 printing, reprinting, and distributing such printed matter. Fees
36 recovered by the secretary of state under RCW 43.07.120(2), 23B.01.220
37 (1)(e), (6) and (7), 23B.18.050, 24.03.410, 24.06.455, or 46.64.040,

1 and such other moneys as are expressly designated for deposit in the
2 secretary of state's revolving fund shall be placed in the secretary of
3 state's revolving fund.

4 During the 2005-2007 fiscal biennium, the legislature may transfer
5 from the secretary of state's revolving fund to the state general fund
6 such amounts as reflect the excess fund balance of the fund.

7 **Sec. 925.** RCW 43.08.190 and 2003 1st sp.s. c 25 s 916 are each
8 amended to read as follows:

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

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

23 During the (~~(2003-)~~) 2005-2007 fiscal biennium, the legislature may
24 transfer from the state treasurer's service fund to the state general
25 fund such amounts as reflect the excess fund balance of the fund.

26 **Sec. 926.** RCW 43.08.250 and 2003 1st sp.s. c 25 s 918 are each
27 amended to read as follows:

28 The money received by the state treasurer from fees, fines,
29 forfeitures, penalties, reimbursements or assessments by any court
30 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
31 deposited in the public safety and education account which is hereby
32 created in the state treasury. The legislature shall appropriate the
33 funds in the account to promote traffic safety education, highway
34 safety, criminal justice training, crime victims' compensation,
35 judicial education, the judicial information system, civil
36 representation of indigent persons, winter recreation parking, drug

1 court operations, and state game programs. During the fiscal biennium
2 ending June 30, (~~(2005)~~) 2007, the legislature may appropriate moneys
3 from the public safety and education account for purposes of appellate
4 indigent defense and other operations of the office of public defense,
5 the criminal litigation unit of the attorney general's office, the
6 treatment alternatives to street crimes program, crime victims advocacy
7 programs, justice information network telecommunication planning,
8 treatment for supplemental security income clients, sexual assault
9 treatment, operations of the office of administrator for the courts,
10 security in the common schools, alternative school start-up grants,
11 programs for disruptive students, criminal justice data collection,
12 Washington state patrol criminal justice activities, drug court
13 operations, unified family courts, local court backlog assistance,
14 financial assistance to local jurisdictions for extraordinary costs
15 incurred in the adjudication of criminal cases, domestic violence
16 treatment and related services, the department of corrections' costs in
17 implementing chapter 196, Laws of 1999, reimbursement of local
18 governments for costs associated with implementing criminal and civil
19 justice legislation, the replacement of the department of corrections'
20 offender-based tracking system, secure and semi-secure crisis
21 residential centers, HOPE beds, the family policy council and community
22 public health and safety networks, the street youth program, public
23 notification about registered sex offenders, and narcotics or
24 methamphetamine-related enforcement, education, training, and drug and
25 alcohol treatment services.

26 **Sec. 927.** RCW 43.10.180 and 2003 1st sp.s. c 25 s 917 are each
27 amended to read as follows:

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

34 (2) During the (~~(2003-05)~~) 2005-2007 fiscal biennium, all expenses
35 for administration of the office of the attorney general shall be
36 allocated to and paid from the legal services revolving fund in

1 accordance with accounting procedures prescribed by the director of
2 financial management.

3 **Sec. 928.** RCW 43.30.305 and 2003 c 334 s 120 are each amended to
4 read as follows:

5 A revolving fund in the custody of the state treasurer, to be known
6 as the natural resources equipment fund, is hereby created to be
7 expended by the department without appropriation solely for the
8 purchase of equipment, machinery, and supplies for the use of the
9 department and for the payment of the costs of repair and maintenance
10 of such equipment, machinery, and supplies. During the 2005-2007
11 fiscal biennium the legislature may transfer such amounts as represent
12 the excess balance of the fund to the state general fund.

13 **Sec. 929.** RCW 43.43.944 and 2003 1st sp.s. c 25 s 919 are each
14 amended to read as follows:

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

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

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

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

23 (2) Moneys in the account may be appropriated only for fire service
24 training. During the ((2003-2005)) 2005-2007 fiscal biennium, the
25 legislature may appropriate funds from this account for school fire
26 prevention activities within the Washington state patrol.

27 **Sec. 930.** RCW 43.72.900 and 2003 c 259 s 1 are each amended to
28 read as follows:

29 (1) The health services account is created in the state treasury.
30 Moneys in the account may be spent only after appropriation. Subject
31 to the transfers described in subsection (3) of this section, moneys in
32 the account may be expended only for maintaining and expanding health
33 services access for low-income residents, maintaining and expanding the
34 public health system, maintaining and improving the capacity of the

1 health care system, containing health care costs, and the regulation,
2 planning, and administering of the health care system.

3 (2) Funds deposited into the health services account under RCW
4 82.24.028 and 82.26.028 shall be used solely as follows:

5 (a) Five million dollars for the state fiscal year beginning July
6 1, 2002, and five million dollars for the state fiscal year beginning
7 July 1, 2003, shall be appropriated by the legislature for programs
8 that effectively improve the health of low-income persons, including
9 efforts to reduce diseases and illnesses that harm low-income persons.
10 The department of health shall submit a report to the legislature on
11 March 1, 2002, evaluating the cost-effectiveness of programs that
12 improve the health of low-income persons and address diseases and
13 illnesses that disproportionately affect low-income persons, and making
14 recommendations to the legislature on which of these programs could
15 most effectively utilize the funds appropriated under this subsection.

16 (b) Ten percent of the funds deposited into the health services
17 account under RCW 82.24.028 and 82.26.028 remaining after the
18 appropriation under (a) of this subsection shall be transferred no less
19 frequently than annually by the treasurer to the tobacco prevention and
20 control account established by RCW 43.79.480. The funds transferred
21 shall be used exclusively for implementation of the Washington state
22 tobacco prevention and control plan and shall be used only to
23 supplement, and not supplant, funds in the tobacco prevention and
24 control account as of January 1, 2001, however, these funds may be used
25 to replace funds appropriated by the legislature for further
26 implementation of the Washington state tobacco prevention and control
27 plan for the biennium beginning July 1, 2001. For each state fiscal
28 year beginning on and after July 1, 2002, the legislature shall
29 appropriate no less than twenty-six million two hundred forty thousand
30 dollars from the tobacco prevention and control account for
31 implementation of the Washington state tobacco prevention and control
32 plan.

33 (c) Because of its demonstrated effectiveness in improving the
34 health of low-income persons and addressing illnesses and diseases that
35 harm low-income persons, the remainder of the funds deposited into the
36 health services account under RCW 82.24.028 and 82.26.028 shall be
37 appropriated solely for Washington basic health plan enrollment as
38 provided in chapter 70.47 RCW. Funds appropriated under this

1 subsection may be used to support outreach and enrollment activities
2 only to the extent necessary to achieve the enrollment goals described
3 in this section.

4 (3) Prior to expenditure for the purposes described in subsection
5 (2) of this section, funds deposited into the health services account
6 under RCW 82.24.028 and 82.26.028 shall first be transferred to the
7 following accounts to ensure the continued availability of previously
8 dedicated revenues for certain existing programs:

9 (a) To the violence reduction and drug enforcement account under
10 RCW 69.50.520, two million two hundred forty-nine thousand five hundred
11 dollars for the state fiscal year beginning July 1, 2001, four million
12 two hundred forty-eight thousand dollars for the state fiscal year
13 beginning July 1, 2002, seven million seven hundred eighty-nine
14 thousand dollars for the biennium beginning July 1, 2003, six million
15 nine hundred thirty-two thousand dollars for the biennium beginning
16 July 1, 2005, and six million nine hundred thirty-two thousand dollars
17 for each biennium thereafter, as required by RCW 82.24.020(2);

18 (b) To the health services account under this section, nine million
19 seventy-seven thousand dollars for the state fiscal year beginning July
20 1, 2001, seventeen million one hundred eighty-eight thousand dollars
21 for the state fiscal year beginning July 1, 2002, thirty-one million
22 seven hundred fifty-five thousand dollars for the biennium beginning
23 July 1, 2003, twenty-eight million six hundred twenty-two thousand
24 dollars for the biennium beginning July 1, 2005, and twenty-eight
25 million six hundred twenty-two thousand dollars for each biennium
26 thereafter, as required by RCW 82.24.020(3); and

27 (c) To the water quality account under RCW 70.146.030, two million
28 two hundred three thousand five hundred dollars for the state fiscal
29 year beginning July 1, 2001, four million two hundred forty-four
30 thousand dollars for the state fiscal year beginning July 1, 2002,
31 eight million one hundred eighty-two thousand dollars for the biennium
32 beginning July 1, 2003, seven million eight hundred eighty-five
33 thousand dollars for the biennium beginning July 1, 2005, and seven
34 million eight hundred eighty-five thousand dollars for each biennium
35 thereafter, as required by RCW 82.24.027(2)(a).

36 During the ((2001-2003)) 2005-2007 fiscal biennium, the legislature
37 may transfer from the health services account such amounts as reflect
38 the excess fund balance of the account to the state general fund.

1 **Sec. 931.** RCW 43.135.045 and 2003 1st sp.s. c 25 s 920 are each
2 amended to read as follows:

3 (1) The emergency reserve fund is established in the state
4 treasury. During each fiscal year, the state treasurer shall deposit
5 in the emergency reserve fund all general fund--state revenues in
6 excess of the state expenditure limit for that fiscal year. Deposits
7 shall be made at the end of each fiscal quarter based on projections of
8 state revenues and the state expenditure limit. The treasurer shall
9 make transfers between these accounts as necessary to reconcile actual
10 annual revenues and the expenditure limit for fiscal year 2000 and
11 thereafter.

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

17 (3) The emergency reserve fund balance shall not exceed five
18 percent of annual general fund--state revenues as projected by the
19 official state revenue forecast. Any balance in excess of five percent
20 shall be transferred on a quarterly basis by the state treasurer as
21 follows: Seventy-five percent to the student achievement fund hereby
22 created in the state treasury and twenty-five percent to the general
23 fund balance. The treasurer shall make transfers between these
24 accounts as necessary to reconcile actual annual revenues for fiscal
25 year 2000 and thereafter. When per-student state funding for the
26 maintenance and operation of K-12 education meets a level of no less
27 than ninety percent of the national average of total funding from all
28 sources per student as determined by the most recent published data
29 from the national center for education statistics of the United States
30 department of education, as calculated by the office of financial
31 management, further deposits to the student achievement fund shall be
32 required only to the extent necessary to maintain the ninety-percent
33 level. Remaining funds are part of the general fund balance and these
34 funds are subject to the expenditure limits of this chapter.

35 (4) The education construction fund is hereby created in the state
36 treasury.

37 (a) Funds may be appropriated from the education construction fund

1 exclusively for common school construction or higher education
2 construction.

3 (b) Funds may be appropriated for any other purpose only if
4 approved by a two-thirds vote of each house of the legislature and if
5 approved by a vote of the people at the next general election. An
6 appropriation approved by the people under this subsection shall result
7 in an adjustment to the state expenditure limit only for the fiscal
8 period for which the appropriation is made and shall not affect any
9 subsequent fiscal period.

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

15 (6) Earnings of the emergency reserve fund under RCW
16 43.84.092(4)(a) shall be transferred quarterly to the multimodal
17 transportation account, except for those earnings that are in excess of
18 thirty-five million dollars each fiscal year. Within thirty days
19 following any fiscal year in which earnings transferred to the
20 multimodal transportation account under this subsection did not total
21 thirty-five million dollars, the state treasurer shall transfer from
22 the emergency reserve fund an amount necessary to bring the total
23 deposited in the multimodal transportation account under this
24 subsection to thirty-five million dollars. The revenues to the
25 multimodal transportation account reflected in this subsection provide
26 ongoing support for the transportation programs of the state. However,
27 it is the intent of the legislature that any new long-term financial
28 support that may be subsequently provided for transportation programs
29 will be used to replace and supplant the revenues reflected in this
30 subsection, thereby allowing those revenues to be returned to the
31 purposes to which they were previously dedicated. No transfers from
32 the emergency reserve fund to the multimodal fund shall be made during
33 the ((2003-05)) 2005-2007 fiscal biennium.

34 **Sec. 932.** RCW 43.320.110 and 2003 1st sp.s. c 25 s 921 and 2003 c
35 288 s 1 are each reenacted and amended to read as follows:

36 There is created a local fund known as the "financial services
37 regulation fund" which shall consist of all moneys received by the

1 divisions of the department of financial institutions, except for the
2 division of securities which shall deposit thirteen percent of all
3 moneys received, except as provided in RCW 43.320.115, and which shall
4 be used for the purchase of supplies and necessary equipment; the
5 payment of salaries, wages, and utilities; the establishment of
6 reserves; and other incidental costs required for the proper regulation
7 of individuals and entities subject to regulation by the department.
8 The state treasurer shall be the custodian of the fund. Disbursements
9 from the fund shall be on authorization of the director of financial
10 institutions or the director's designee. In order to maintain an
11 effective expenditure and revenue control, the fund shall be subject in
12 all respects to chapter 43.88 RCW, but no appropriation is required to
13 permit expenditures and payment of obligations from the fund.

14 During the 2005-2007 fiscal biennium, the legislature may transfer
15 from the financial services regulation fund to the state general fund
16 such amounts as reflect the excess fund balance of the fund.

17 **Sec. 933.** RCW 50.16.010 and 2003 2nd sp.s. c 4 s 23 and 2003 1st
18 sp.s. c 25 s 925 are each reenacted and amended to read as follows:

19 (1) There shall be maintained as special funds, separate and apart
20 from all public moneys or funds of this state an unemployment
21 compensation fund, an administrative contingency fund, and a federal
22 interest payment fund, which shall be administered by the commissioner
23 exclusively for the purposes of this title, and to which RCW 43.01.050
24 shall not be applicable.

25 (2)(a) The unemployment compensation fund shall consist of:

26 (i) All contributions collected under RCW 50.24.010 and payments in
27 lieu of contributions collected pursuant to the provisions of this
28 title;

29 (ii) Any property or securities acquired through the use of moneys
30 belonging to the fund;

31 (iii) All earnings of such property or securities;

32 (iv) Any moneys received from the federal unemployment account in
33 the unemployment trust fund in accordance with Title XII of the social
34 security act, as amended;

35 (v) All money recovered on official bonds for losses sustained by
36 the fund;

1 (vi) All money credited to this state's account in the unemployment
2 trust fund pursuant to section 903 of the social security act, as
3 amended;

4 (vii) All money received from the federal government as
5 reimbursement pursuant to section 204 of the federal-state extended
6 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

7 (viii) All moneys received for the fund from any other source.

8 (b) All moneys in the unemployment compensation fund shall be
9 commingled and undivided.

10 (3)(a) Except as provided in (b) of this subsection, the
11 administrative contingency fund shall consist of:

12 (i) All interest on delinquent contributions collected pursuant to
13 this title;

14 (ii) All fines and penalties collected pursuant to the provisions
15 of this title;

16 (iii) All sums recovered on official bonds for losses sustained by
17 the fund; and

18 (iv) Revenue received under RCW 50.24.014.

19 (b) All fees, fines, forfeitures, and penalties collected or
20 assessed by a district court because of the violation of this title or
21 rules adopted under this title shall be remitted as provided in chapter
22 3.62 RCW.

23 (c) Moneys available in the administrative contingency fund, other
24 than money in the special account created under RCW 50.24.014(1)(a),
25 shall be expended upon the direction of the commissioner, with the
26 approval of the governor, whenever it appears to him or her that such
27 expenditure is necessary solely for:

28 (i) The proper administration of this title and no federal funds
29 are available for the specific purpose to which such expenditure is to
30 be made, provided, the moneys are not substituted for appropriations
31 from federal funds which, in the absence of such moneys, would be made
32 available.

33 (ii) The proper administration of this title for which purpose
34 appropriations from federal funds have been requested but not yet
35 received, provided, the administrative contingency fund will be
36 reimbursed upon receipt of the requested federal appropriation.

37 (iii) The proper administration of this title for which compliance
38 and audit issues have been identified that establish federal claims

1 requiring the expenditure of state resources in resolution. Claims
2 must be resolved in the following priority: First priority is to
3 provide services to eligible participants within the state; second
4 priority is to provide substitute services or program support; and last
5 priority is the direct payment of funds to the federal government.

6 (d) During the (~~(2003-2005)~~) 2005-2007 fiscal biennium, the cost of
7 the job skills program (~~(and the alliance for corporate education)~~) at
8 community and technical colleges as appropriated by the legislature.

9 Money in the special account created under RCW 50.24.014(1)(a) may
10 only be expended, after appropriation, for the purposes specified in
11 this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
12 50.44.053, and 50.22.010.

13 **Sec. 934.** RCW 50.20.190 and 2003 2nd sp.s. c 4 s 26 are each
14 amended to read as follows:

15 (1) An individual who is paid any amount as benefits under this
16 title to which he or she is not entitled shall, unless otherwise
17 relieved pursuant to this section, be liable for repayment of the
18 amount overpaid. The department shall issue an overpayment assessment
19 setting forth the reasons for and the amount of the overpayment. The
20 amount assessed, to the extent not collected, may be deducted from any
21 future benefits payable to the individual: PROVIDED, That in the
22 absence of a back pay award, a settlement affecting the allowance of
23 benefits, fraud, misrepresentation, or willful nondisclosure, every
24 determination of liability shall be mailed or personally served not
25 later than two years after the close of or final payment made on the
26 individual's applicable benefit year for which the purported
27 overpayment was made, whichever is later, unless the merits of the
28 claim are subjected to administrative or judicial review in which event
29 the period for serving the determination of liability shall be extended
30 to allow service of the determination of liability during the six-month
31 period following the final decision affecting the claim.

32 (2) The commissioner may waive an overpayment if the commissioner
33 finds that the overpayment was not the result of fraud,
34 misrepresentation, willful nondisclosure, or fault attributable to the
35 individual and that the recovery thereof would be against equity and
36 good conscience: PROVIDED, HOWEVER, That the overpayment so waived

1 shall be charged against the individual's applicable entitlement for
2 the eligibility period containing the weeks to which the overpayment
3 was attributed as though such benefits had been properly paid.

4 (3) Any assessment herein provided shall constitute a determination
5 of liability from which an appeal may be had in the same manner and to
6 the same extent as provided for appeals relating to determinations in
7 respect to claims for benefits: PROVIDED, That an appeal from any
8 determination covering overpayment only shall be deemed to be an appeal
9 from the determination which was the basis for establishing the
10 overpayment unless the merits involved in the issue set forth in such
11 determination have already been heard and passed upon by the appeal
12 tribunal. If no such appeal is taken to the appeal tribunal by the
13 individual within thirty days of the delivery of the notice of
14 determination of liability, or within thirty days of the mailing of the
15 notice of determination, whichever is the earlier, the determination of
16 liability shall be deemed conclusive and final. Whenever any such
17 notice of determination of liability becomes conclusive and final, the
18 commissioner, upon giving at least twenty days notice by certified mail
19 return receipt requested to the individual's last known address of the
20 intended action, may file with the superior court clerk of any county
21 within the state a warrant in the amount of the notice of determination
22 of liability plus a filing fee under RCW 36.18.012(10). The clerk of
23 the county where the warrant is filed shall immediately designate a
24 superior court cause number for the warrant, and the clerk shall cause
25 to be entered in the judgment docket under the superior court cause
26 number assigned to the warrant, the name of the person(s) mentioned in
27 the warrant, the amount of the notice of determination of liability,
28 and the date when the warrant was filed. The amount of the warrant as
29 docketed shall become a lien upon the title to, and any interest in,
30 all real and personal property of the person(s) against whom the
31 warrant is issued, the same as a judgment in a civil case duly docketed
32 in the office of such clerk. A warrant so docketed shall be sufficient
33 to support the issuance of writs of execution and writs of garnishment
34 in favor of the state in the manner provided by law for a civil
35 judgment. A copy of the warrant shall be mailed to the person(s)
36 mentioned in the warrant by certified mail to the person's last known
37 address within five days of its filing with the clerk.

1 (4) On request of any agency which administers an employment
2 security law of another state, the United States, or a foreign
3 government and which has found in accordance with the provisions of
4 such law that a claimant is liable to repay benefits received under
5 such law, the commissioner may collect the amount of such benefits from
6 the claimant to be refunded to the agency. In any case in which under
7 this section a claimant is liable to repay any amount to the agency of
8 another state, the United States, or a foreign government, such amounts
9 may be collected without interest by civil action in the name of the
10 commissioner acting as agent for such agency if the other state, the
11 United States, or the foreign government extends such collection rights
12 to the employment security department of the state of Washington, and
13 provided that the court costs be paid by the governmental agency
14 benefiting from such collection.

15 (5) Any employer who is a party to a back pay award or settlement
16 due to loss of wages shall, within thirty days of the award or
17 settlement, report to the department the amount of the award or
18 settlement, the name and social security number of the recipient of the
19 award or settlement, and the period for which it is awarded. When an
20 individual has been awarded or receives back pay, for benefit purposes
21 the amount of the back pay shall constitute wages paid in the period
22 for which it was awarded. For contribution purposes, the back pay
23 award or settlement shall constitute wages paid in the period in which
24 it was actually paid. The following requirements shall also apply:

25 (a) The employer shall reduce the amount of the back pay award or
26 settlement by an amount determined by the department based upon the
27 amount of unemployment benefits received by the recipient of the award
28 or settlement during the period for which the back pay award or
29 settlement was awarded;

30 (b) The employer shall pay to the unemployment compensation fund,
31 in a manner specified by the commissioner, an amount equal to the
32 amount of such reduction;

33 (c) The employer shall also pay to the department any taxes due for
34 unemployment insurance purposes on the entire amount of the back pay
35 award or settlement notwithstanding any reduction made pursuant to (a)
36 of this subsection;

37 (d) If the employer fails to reduce the amount of the back pay
38 award or settlement as required in (a) of this subsection, the

1 department shall issue an overpayment assessment against the recipient
2 of the award or settlement in the amount that the back pay award or
3 settlement should have been reduced; and

4 (e) If the employer fails to pay to the department an amount equal
5 to the reduction as required in (b) of this subsection, the department
6 shall issue an assessment of liability against the employer which shall
7 be collected pursuant to the procedures for collection of assessments
8 provided herein and in RCW 50.24.110.

9 (6) When an individual fails to repay an overpayment assessment
10 that is due and fails to arrange for satisfactory repayment terms, the
11 commissioner shall impose an interest penalty of one percent per month
12 of the outstanding balance. Interest shall accrue immediately on
13 overpayments assessed pursuant to RCW 50.20.070 and shall be imposed
14 when the assessment becomes final. For any other overpayment, interest
15 shall accrue when the individual has missed two or more of the
16 individual's monthly payments either partially or in full. The
17 interest penalty shall be used, first, to fully fund either social
18 security number cross-match audits or other more effective activities
19 that ensure that individuals are entitled to all amounts of benefits
20 that they are paid (~~and~~), second, to fund other detection and
21 recovery of overpayment and collection activities, and third, during
22 the 2005-07 fiscal biennium, the cost of the job skills program at
23 community and technical colleges as appropriated by the legislature.

24 **Sec. 935.** RCW 66.16.010 and 2003 1st sp.s. c 25 s 928 are each
25 amended to read as follows:

26 (1) There shall be established at such places throughout the state
27 as the liquor control board, constituted under this title, shall deem
28 advisable, stores to be known as "state liquor stores," for the sale of
29 liquor in accordance with the provisions of this title and the
30 regulations: PROVIDED, That the prices of all liquor shall be fixed by
31 the board from time to time so that the net annual revenue received by
32 the board therefrom shall not exceed thirty-five percent. Effective no
33 later than (~~September 1, 2003~~) July 1, 2005, the liquor control board
34 shall add an equivalent surcharge of \$0.42 per liter on all retail
35 sales of spirits, excluding licensee, military, and tribal sales. The
36 intent of this surcharge is to raise (~~(\$14,000,000 in additional)~~)
37 revenue for the general fund-state (~~revenue~~) for the 2003-2005 and

1 2005-2007 bienniums. (~~To the extent that a lesser surcharge is~~
2 ~~sufficient to raise \$14,000,000, the board may reduce the amount of the~~
3 ~~surcharge.~~) The board shall remove the surcharge (~~once it generates~~
4 ~~\$14,000,000, but no later than~~) June 30, (~~(2005)~~) 2007.

5 (2) The liquor control board may, from time to time, fix the
6 special price at which pure ethyl alcohol may be sold to physicians and
7 dentists and institutions regularly conducted as hospitals, for use or
8 consumption only in such hospitals; and may also fix the special price
9 at which pure ethyl alcohol may be sold to schools, colleges and
10 universities within the state for use for scientific purposes.
11 Regularly conducted hospitals may have right to purchase pure ethyl
12 alcohol on a federal permit.

13 (3) The liquor control board may also fix the special price at
14 which pure ethyl alcohol may be sold to any department, branch or
15 institution of the state of Washington, federal government, or to any
16 person engaged in a manufacturing or industrial business or in
17 scientific pursuits requiring alcohol for use therein.

18 (4) The liquor control board may also fix a special price at which
19 pure ethyl alcohol may be sold to any private individual, and shall
20 make regulations governing such sale of alcohol to private individuals
21 as shall promote, as nearly as may be, the minimum purchase of such
22 alcohol by such persons.

23 **Sec. 936.** RCW 67.40.040 and 2003 1st sp.s. c 25 s 929 are each
24 amended to read as follows:

25 (1) The proceeds from the sale of the bonds authorized in RCW
26 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
27 67.40.130, and all other moneys received by the state convention and
28 trade center from any public or private source which are intended to
29 fund the acquisition, design, construction, expansion, exterior cleanup
30 and repair of the Eagles building, conversion of various retail and
31 other space to meeting rooms, purchase of the land and building known
32 as the McKay Parcel, development of low-income housing, or renovation
33 of the center, and those expenditures authorized under RCW 67.40.170
34 shall be deposited in the state convention and trade center account
35 hereby created in the state treasury and in such subaccounts as are
36 deemed appropriate by the directors of the corporation.

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

4 (a) For reimbursement of the state general fund under RCW
5 67.40.060;

6 (b) After appropriation by statute:

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

9 (ii) For expenditures authorized in RCW 67.40.170;

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

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

14 (c) For transfer to the state convention and trade center
15 operations account.

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

24 (4) In order to ensure consistent treatment of bonds authorized
25 under RCW 67.40.030 with applicable provisions of the Internal Revenue
26 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment
27 earnings on bond proceeds deposited in the state convention and trade
28 center account in the state treasury shall be retained in the account,
29 and shall be expended by the corporation for the purposes authorized
30 under chapter 386, Laws of 1995 and in a manner consistent with
31 applicable provisions of the Internal Revenue Code of 1986, as amended.

32 (5) During the (~~2003-~~) 2005-2007 fiscal biennium, the legislature
33 may transfer from the state convention and trade center account to the
34 state general fund such amounts as reflect the excess fund balance of
35 the account.

36 **Sec. 937.** RCW 69.50.520 and 2004 c 276 s 912 are each amended to
37 read as follows:

1 The violence reduction and drug enforcement account is created in
2 the state treasury. All designated receipts from RCW 9.41.110(8),
3 66.24.210(4), 66.24.290(2), 69.50.505(9)(a), 82.08.150(5),
4 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
5 shall be deposited into the account. Expenditures from the account may
6 be used only for funding services and programs under chapter 271, Laws
7 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
8 incarceration costs. Funds from the account may also be appropriated
9 to reimburse local governments for costs associated with implementing
10 criminal justice legislation including chapter 338, Laws of 1997.
11 During the 2003-2005 and 2005-2007 bienniums, funds from the account
12 may also be used for costs associated with providing grants to local
13 governments in accordance with chapter 338, Laws of 1997, funding drug
14 offender treatment services in accordance with RCW 70.96A.350,
15 maintenance and operating costs of the Washington association of
16 sheriffs and police chiefs jail reporting system, maintenance and
17 operating costs of the juvenile rehabilitation administration's client
18 activity tracking system, civil indigent legal representation,
19 multijurisdictional narcotics task forces, transfers to the health
20 services account, and grants to community networks under chapter 70.190
21 RCW by the family policy council.

22 **Sec. 938.** RCW 70.83.040 and 1999 c 76 s 1 are each amended to read
23 as follows:

24 When notified of positive screening tests, the state department of
25 health shall offer the use of its services and facilities, designed to
26 prevent mental retardation or physical defects in such children, to the
27 attending physician, or the parents of the newborn child if no
28 attending physician can be identified.

29 The services and facilities of the department, and other state and
30 local agencies cooperating with the department in carrying out programs
31 of detection and prevention of mental retardation and physical defects
32 shall be made available to the family and physician to the extent
33 required in order to carry out the intent of this chapter and within
34 the availability of funds. The department has the authority to collect
35 a reasonable fee, from the parents or other responsible party of each
36 infant screened to fund specialty clinics that provide treatment
37 services for hemoglobin diseases, phenylketonuria, congenital adrenal

1 hyperplasia, (~~and~~) congenital hypothyroidism, and, during the 2005-07
2 fiscal biennium, other disorders defined by the board of health under
3 RCW 70.83.020. The fee may be collected through the facility where the
4 screening specimen is obtained.

5 **Sec. 939.** RCW 70.93.180 and 1998 c 257 s 5 are each amended to
6 read as follows:

7 (1) There is hereby created an account within the state treasury to
8 be known as the "waste reduction, recycling, and litter control
9 account". Moneys in the account may be spent only after appropriation.
10 Expenditures from the waste reduction, recycling, and litter control
11 account shall be used as follows:

12 (a) Fifty percent to the department of ecology, for use by the
13 departments of ecology, natural resources, revenue, transportation, and
14 corrections, and the parks and recreation commission, for use in litter
15 collection programs, to be distributed under RCW 70.93.220. The amount
16 to the department of ecology shall also be used for a central
17 coordination function for litter control efforts statewide, for the
18 biennial litter survey under RCW 70.93.200(8), and for statewide public
19 awareness programs under RCW 70.93.200(7). The amount to the
20 department shall also be used to defray the costs of administering the
21 funding, coordination, and oversight of local government programs for
22 waste reduction, litter control, and recycling, so that local
23 governments can apply one hundred percent of their funding to achieving
24 program goals. The amount to the department of revenue shall be used
25 to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

26 (b) Twenty percent to the department for local government funding
27 programs for waste reduction, litter control, and recycling activities
28 by cities and counties under RCW 70.93.250, to be administered by the
29 department of ecology; and

30 (c) Thirty percent to the department of ecology for waste reduction
31 and recycling efforts.

32 (2) All taxes imposed in RCW 82.19.010 and fines and bail
33 forfeitures collected or received pursuant to this chapter shall be
34 deposited in the waste reduction, recycling, and litter control account
35 and used for the programs under subsection (1) of this section.

36 (3) Not less than five percent and no more than ten percent of the
37 amount appropriated into the waste reduction, recycling, and litter

1 control account every biennium shall be reserved for capital needs,
2 including the purchase of vehicles for transporting crews and for
3 collecting litter and solid waste. Capital funds shall be distributed
4 among state agencies and local governments according to the same
5 criteria provided in RCW 70.93.220 for the remainder of the funds, so
6 that the most effective waste reduction, litter control, and recycling
7 programs receive the most funding. The intent of this subsection is to
8 provide funds for the purchase of equipment that will enable the
9 department to account for the greatest return on investment in terms of
10 reaching a zero litter goal.

11 (4) During the 2005-2007 fiscal biennium, the legislature may
12 transfer from the waste reduction, recycling, and litter control
13 account to the state general fund such amounts as reflect the excess
14 fund balance of the account.

15 **Sec. 940.** RCW 70.146.030 and 2004 c 277 s 909 are each amended to
16 read as follows:

17 (1) The water quality account is hereby created in the state
18 treasury. Moneys in the account may be used only in a manner
19 consistent with this chapter. Moneys deposited in the account shall be
20 administered by the department of ecology and shall be subject to
21 legislative appropriation. Moneys placed in the account shall include
22 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
23 principal and interest from the repayment of any loans granted pursuant
24 to this chapter, and any other moneys appropriated to the account by
25 the legislature.

26 (2) The department may use or permit the use of any moneys in the
27 account to make grants or loans to public bodies, including grants to
28 public bodies as cost-sharing moneys in any case where federal, local,
29 or other funds are made available on a cost-sharing basis, for water
30 pollution control facilities and activities, or for purposes of
31 assisting a public body to obtain an ownership interest in water
32 pollution control facilities and/or to defray a part of the payments
33 made by a public body to a service provider under a service agreement
34 entered into pursuant to RCW 70.150.060, within the purposes of this
35 chapter and for related administrative expenses. For the period July
36 1, ((2003)) 2005, to June 30, ((2005)) 2007, moneys in the account may
37 be used to process applications received by the department that seek to

1 make changes to or transfer existing water rights, for water conveyance
2 projects, and for grants and technical assistance to public bodies for
3 watershed planning under chapter 90.82 RCW. No more than three percent
4 of the moneys deposited in the account may be used by the department to
5 pay for the administration of the grant and loan program authorized by
6 this chapter.

7 (3) Beginning with the biennium ending June 30, 1997, the
8 department shall present a biennial progress report on the use of
9 moneys from the account to the chairs of the senate committee on ways
10 and means and the house of representatives committee on appropriations.
11 The first report is due June 30, 1996, and the report for each
12 succeeding biennium is due December 31 of the odd-numbered year. The
13 report shall consist of a list of each recipient, project description,
14 and amount of the grant, loan, or both.

15 **Sec. 941.** RCW 70.146.080 and 2003 1st sp.s. c 25 s 935 are each
16 amended to read as follows:

17 Within thirty days after June 30, 1987, and within thirty days
18 after each succeeding fiscal year thereafter, the state treasurer shall
19 determine the tax receipts deposited into the water quality account for
20 the preceding fiscal year. If the tax receipts deposited into the
21 account in each of the fiscal years 1988 and 1989 are less than forty
22 million dollars, the state treasurer shall transfer sufficient moneys
23 from general state revenues into the water quality account to bring the
24 total receipts in each fiscal year up to forty million dollars.

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

32 For fiscal year 1992 and for fiscal years 1995 and 1996 and
33 thereafter, if the tax receipts deposited into the water quality
34 account for each fiscal year are less than forty-five million dollars,
35 the treasurer shall transfer sufficient moneys from general state
36 revenues into the water quality account to bring the total revenue up
37 to forty-five million dollars. However, during the ((2003-05)) 2005-

1 2007 fiscal biennium, the legislature may specify the transfer of a
2 different amount in the operating budget bill. Determinations and
3 transfers shall be made by July 31 for the preceding fiscal year.

4 **Sec. 942.** RCW 70.148.020 and 1999 c 73 s 1 are each amended to
5 read as follows:

6 (1) The pollution liability insurance program trust account is
7 established in the custody of the state treasurer. All funds
8 appropriated for this chapter and all premiums collected for
9 reinsurance shall be deposited in the account. Expenditures from the
10 account shall be used exclusively for the purposes of this chapter
11 including payment of costs of administering the pollution liability
12 insurance and underground storage tank community assistance programs.
13 Expenditures for payment of administrative and operating costs of the
14 agency are subject to the allotment procedures under chapter 43.88 RCW
15 and may be made only after appropriation by statute. No appropriation
16 is required for other expenditures from the account.

17 (2) Each calendar quarter, the director shall report to the
18 insurance commissioner the loss and surplus reserves required for the
19 calendar quarter. The director shall notify the department of revenue
20 of this amount by the fifteenth day of each calendar quarter.

21 (3) Each calendar quarter the director shall determine the amount
22 of reserves necessary to fund commitments made to provide financial
23 assistance under RCW 70.148.130 to the extent that the financial
24 assistance reserves do not jeopardize the operations and liabilities of
25 the pollution liability insurance program. The director shall notify
26 the department of revenue of this amount by the fifteenth day of each
27 calendar quarter. The director may immediately establish an initial
28 financial assistance reserve of five million dollars from available
29 revenues. The director may not expend more than fifteen million
30 dollars for the financial assistance program.

31 (4) During the 2005-2007 fiscal biennium, the legislature may
32 transfer from the pollution liability insurance program trust account
33 to the state general fund such amounts as reflect the excess fund
34 balance of the account.

35 (5) This section expires June 1, (~~(2001-2007)~~) 2007.

1 **Sec. 943.** RCW 72.11.040 and 2003 1st sp.s. c 25 s 936 are each
2 amended to read as follows:

3 The cost of supervision fund is created in the custody of the state
4 treasurer. All receipts from assessments made under RCW 9.94A.780 and
5 72.04A.120 shall be deposited into the fund. Expenditures from the
6 fund may be used only to support the collection of legal financial
7 obligations. During the ((2003-2005)) 2005-2007 biennium, funds from
8 the account may also be used for costs associated with the department's
9 supervision of the offenders in the community. Only the secretary of
10 the department of corrections or the secretary's designee may authorize
11 expenditures from the fund. The fund is subject to allotment
12 procedures under chapter 43.88 RCW, but no appropriation is required
13 for expenditures.

14 **Sec. 944.** RCW 74.46.431 and 2004 c 276 s 913 are each amended to
15 read as follows:

16 (1) Effective July 1, 1999, nursing facility medicaid payment rate
17 allocations shall be facility-specific and shall have seven components:
18 Direct care, therapy care, support services, operations, property,
19 financing allowance, and variable return. The department shall
20 establish and adjust each of these components, as provided in this
21 section and elsewhere in this chapter, for each medicaid nursing
22 facility in this state.

23 (2) All component rate allocations for essential community
24 providers as defined in this chapter shall be based upon a minimum
25 facility occupancy of eighty-five percent of licensed beds, regardless
26 of how many beds are set up or in use. For all facilities other than
27 essential community providers, effective July 1, 2001, component rate
28 allocations in direct care, therapy care, support services, variable
29 return, operations, property, and financing allowance shall continue to
30 be based upon a minimum facility occupancy of eighty-five percent of
31 licensed beds. For all facilities other than essential community
32 providers, effective July 1, 2002, the component rate allocations in
33 operations, property, and financing allowance shall be based upon a
34 minimum facility occupancy of ninety percent of licensed beds,
35 regardless of how many beds are set up or in use.

36 (3) Information and data sources used in determining medicaid
37 payment rate allocations, including formulas, procedures, cost report

1 periods, resident assessment instrument formats, resident assessment
2 methodologies, and resident classification and case mix weighting
3 methodologies, may be substituted or altered from time to time as
4 determined by the department.

5 (4)(a) Direct care component rate allocations shall be established
6 using adjusted cost report data covering at least six months. Adjusted
7 cost report data from 1996 will be used for October 1, 1998, through
8 June 30, 2001, direct care component rate allocations; adjusted cost
9 report data from 1999 will be used for July 1, 2001, through June 30,
10 2005, direct care component rate allocations. Adjusted cost report
11 data from 1999 will continue to be used for July 1, 2005, and later
12 direct care component rate allocations.

13 (b) Direct care component rate allocations based on 1996 cost
14 report data shall be adjusted annually for economic trends and
15 conditions by a factor or factors defined in the biennial
16 appropriations act. A different economic trends and conditions
17 adjustment factor or factors may be defined in the biennial
18 appropriations act for facilities whose direct care component rate is
19 set equal to their adjusted June 30, 1998, rate, as provided in RCW
20 74.46.506(5)(i).

21 (c) Direct care component rate allocations based on 1999 cost
22 report data shall be adjusted annually for economic trends and
23 conditions by a factor or factors defined in the biennial
24 appropriations act. A different economic trends and conditions
25 adjustment factor or factors may be defined in the biennial
26 appropriations act for facilities whose direct care component rate is
27 set equal to their adjusted June 30, 1998, rate, as provided in RCW
28 74.46.506(5)(i).

29 (5)(a) Therapy care component rate allocations shall be established
30 using adjusted cost report data covering at least six months. Adjusted
31 cost report data from 1996 will be used for October 1, 1998, through
32 June 30, 2001, therapy care component rate allocations; adjusted cost
33 report data from 1999 will be used for July 1, 2001, through June 30,
34 2005, therapy care component rate allocations. Adjusted cost report
35 data from 1999 will continue to be used for July 1, 2005, and later
36 therapy care component rate allocations.

37 (b) Therapy care component rate allocations shall be adjusted

1 annually for economic trends and conditions by a factor or factors
2 defined in the biennial appropriations act.

3 (6)(a) Support services component rate allocations shall be
4 established using adjusted cost report data covering at least six
5 months. Adjusted cost report data from 1996 shall be used for October
6 1, 1998, through June 30, 2001, support services component rate
7 allocations; adjusted cost report data from 1999 shall be used for July
8 1, 2001, through June 30, 2005, support services component rate
9 allocations. Adjusted cost report data from 1999 will continue to be
10 used for July 1, 2005, and later support services component rate
11 allocations.

12 (b) Support services component rate allocations shall be adjusted
13 annually for economic trends and conditions by a factor or factors
14 defined in the biennial appropriations act.

15 (7)(a) Operations component rate allocations shall be established
16 using adjusted cost report data covering at least six months. Adjusted
17 cost report data from 1996 shall be used for October 1, 1998, through
18 June 30, 2001, operations component rate allocations; adjusted cost
19 report data from 1999 shall be used for July 1, 2001, through June 30,
20 2005, operations component rate allocations. Adjusted cost report data
21 from 1999 will continue to be used for July 1, 2005, and later
22 operations component rate allocations.

23 (b) Operations component rate allocations shall be adjusted
24 annually for economic trends and conditions by a factor or factors
25 defined in the biennial appropriations act.

26 (8) For July 1, 1998, through September 30, 1998, a facility's
27 property and return on investment component rates shall be the
28 facility's June 30, 1998, property and return on investment component
29 rates, without increase. For October 1, 1998, through June 30, 1999,
30 a facility's property and return on investment component rates shall be
31 rebased utilizing 1997 adjusted cost report data covering at least six
32 months of data.

33 (9) Total payment rates under the nursing facility medicaid payment
34 system shall not exceed facility rates charged to the general public
35 for comparable services.

36 (10) Medicaid contractors shall pay to all facility staff a minimum
37 wage of the greater of the state minimum wage or the federal minimum
38 wage.

1 (11) The department shall establish in rule procedures, principles,
2 and conditions for determining component rate allocations for
3 facilities in circumstances not directly addressed by this chapter,
4 including but not limited to: The need to prorate inflation for
5 partial-period cost report data, newly constructed facilities, existing
6 facilities entering the medicaid program for the first time or after a
7 period of absence from the program, existing facilities with expanded
8 new bed capacity, existing medicaid facilities following a change of
9 ownership of the nursing facility business, facilities banking beds or
10 converting beds back into service, facilities temporarily reducing the
11 number of set-up beds during a remodel, facilities having less than six
12 months of either resident assessment, cost report data, or both, under
13 the current contractor prior to rate setting, and other circumstances.

14 (12) The department shall establish in rule procedures, principles,
15 and conditions, including necessary threshold costs, for adjusting
16 rates to reflect capital improvements or new requirements imposed by
17 the department or the federal government. Any such rate adjustments
18 are subject to the provisions of RCW 74.46.421.

19 (13) Effective July 1, 2001, medicaid rates shall continue to be
20 revised downward in all components, in accordance with department
21 rules, for facilities converting banked beds to active service under
22 chapter 70.38 RCW, by using the facility's increased licensed bed
23 capacity to recalculate minimum occupancy for rate setting. However,
24 for facilities other than essential community providers which bank beds
25 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be
26 revised upward, in accordance with department rules, in direct care,
27 therapy care, support services, and variable return components only, by
28 using the facility's decreased licensed bed capacity to recalculate
29 minimum occupancy for rate setting, but no upward revision shall be
30 made to operations, property, or financing allowance component rates.

31 (14) Facilities obtaining a certificate of need or a certificate of
32 need exemption under chapter 70.38 RCW after June 30, 2001, must have
33 a certificate of capital authorization in order for (a) the
34 depreciation resulting from the capitalized addition to be included in
35 calculation of the facility's property component rate allocation; and
36 (b) the net invested funds associated with the capitalized addition to
37 be included in calculation of the facility's financing allowance rate
38 allocation.

1 **Sec. 945.** RCW 79.64.040 and 2004 c 199 s 227 are each amended to
2 read as follows:

3 (1) The board shall determine the amount deemed necessary in order
4 to achieve the purposes of this chapter and shall provide by rule for
5 the deduction of this amount from the moneys received from all leases,
6 sales, contracts, licenses, permits, easements, and rights of way
7 issued by the department and affecting state lands and aquatic lands,
8 provided that no deduction shall be made from the proceeds from
9 agricultural college lands.

10 (2) Moneys received as deposits from successful bidders, advance
11 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
12 prior to December 1, 1981, which have not been subjected to deduction
13 under this section are not subject to deduction under this section.

14 (3) Except as otherwise provided in subsection (5) of this section,
15 the deductions authorized under this section shall ((in no event)) not
16 exceed twenty-five percent of the moneys received by the department in
17 connection with any one transaction pertaining to state lands and
18 aquatic lands other than second class tide and shore lands and the beds
19 of navigable waters, and fifty percent of the moneys received by the
20 department pertaining to second class tide and shore lands and the beds
21 of navigable waters.

22 (4) In the event that the department sells logs using the contract
23 harvesting process described in RCW 79.15.500 through 79.15.530, the
24 moneys received subject to this section are the net proceeds from the
25 contract harvesting sale.

26 (5) During the 2005-2007 fiscal biennium, the twenty-five percent
27 limitation on deductions set in subsection (3) of this section may be
28 increased to thirty percent by the board. If so increased, the
29 department must provide a report by January 9, 2006 to the appropriate
30 committees of the legislature on the use of the increased amount.

31 **Sec. 946.** RCW 79.90.245 and 2004 c 276 s 914 are each amended to
32 read as follows:

33 After deduction for management costs as provided in RCW 79.64.040
34 and payments to towns under RCW 79.92.110(2), all moneys received by
35 the state from the sale or lease of state-owned aquatic lands and from
36 the sale of valuable material from state-owned aquatic lands shall be
37 deposited in the aquatic lands enhancement account which is hereby

1 created in the state treasury. After appropriation, these funds shall
2 be used solely for aquatic lands enhancement projects; for the
3 purchase, improvement, or protection of aquatic lands for public
4 purposes; for providing and improving access to such lands; and for
5 volunteer cooperative fish and game projects.

6 In providing grants for aquatic lands enhancement projects, the
7 department shall require grant recipients to incorporate the
8 environmental benefits of the project into their grant applications,
9 and the department shall utilize the statement of environmental
10 benefits in its prioritization and selection process. The department
11 shall also develop appropriate outcome-focused performance measures to
12 be used both for management and performance assessment of the grants.
13 To the extent possible, the department should coordinate its
14 performance measure system with other natural resource-related agencies
15 as defined in RCW 43.41.270. The department shall consult with
16 affected interest groups in implementing this section.

17 During the fiscal biennium ending June 30, ~~((2005))~~ 2007, the funds
18 may be appropriated for boating safety, settlement costs for aquatic
19 lands cleanup, and shellfish management, enforcement, and enhancement
20 and assistance to local governments for septic system surveys and data
21 bases.

22 **Sec. 947.** RCW 86.26.007 and 2003 1st sp.s. c 25 s 943 are each
23 amended to read as follows:

24 The flood control assistance account is hereby established in the
25 state treasury. At the beginning of the ~~((1997-99 fiscal biennium and~~
26 ~~each))~~ 2005-2007 fiscal biennium, the state treasurer shall transfer
27 three million dollars from the general fund to the flood control
28 assistance account. Each biennium thereafter the state treasurer shall
29 transfer four million dollars from the general fund to the flood
30 control assistance account. Moneys in the flood control assistance
31 account may be spent only after appropriation for purposes specified
32 under this chapter. ~~((During the 2003-2005 fiscal biennium, the~~
33 ~~legislature may transfer from the flood control assistance account to~~
34 ~~the state general fund such amounts as reflect the excess fund balance~~
35 ~~of the account.))~~

1 NEW SECTION. **Sec. 948. COMPENSATION--INSURANCE BENEFITS.** The

2 appropriations for state agencies, including institutions of higher
3 education are subject to the following conditions and limitations:

4 (1)(a) The monthly employer funding rate for insurance benefit
5 premiums, public employees' benefits board administration, and the
6 uniform medical plan, shall not exceed \$663.00 per eligible employee
7 for fiscal year 2006. For fiscal year 2007 the monthly employer
8 funding rate shall not exceed \$744.00 per eligible employee represented
9 by a collective bargaining unit under the personnel system reform act
10 of 2002, or \$618.00 per eligible nonrepresented employee.

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

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

24 (2) The health care authority, subject to the approval of the
25 public employees' benefits board, shall provide subsidies for health
26 benefit premiums to eligible retired or disabled public employees and
27 school district employees who are eligible for medicare, pursuant to
28 RCW 41.05.085. From January 1, 2006, through December 31, 2006, the
29 subsidy shall be \$131.87. Starting January 1, 2007, the subsidy shall
30 be \$149.67 per month.

31 (3) Technical colleges, school districts, and educational service
32 districts shall remit to the health care authority for deposit into the
33 public employees' and retirees' insurance account established in RCW
34 41.05.120 the following amounts:

35 (a) For each full-time employee, \$48.42 per month beginning
36 September 1, 2005, and \$55.73 beginning September 1, 2006;

37 (b) For each part-time employee who, at the time of the remittance,
38 is employed in an eligible position as defined in RCW 41.32.010 or

1 41.40.010 and is eligible for employer fringe benefit contributions for
2 basic benefits, \$48.42 each month beginning September 1, 2005, and
3 \$55.73 beginning September 1, 2006, prorated by the proportion of
4 employer fringe benefit contributions for a full-time employee that the
5 part-time employee receives. The remittance requirements specified in
6 this subsection shall not apply to employees of a technical college,
7 school district, or educational service district who purchase insurance
8 benefits through contracts with the health care authority.

9 NEW SECTION. **Sec. 949. NONREPRESENTED EMPLOYEE COMPENSATION.**

10 The appropriations for nonrepresented employee compensation adjustments
11 are provided solely for:

12 (1) Salary Cost of Living Adjustments.

13 (a) Appropriations are provided for a 3.2% salary increase
14 effective September 1, 2005, for all classified employees, except those
15 represented by a collective bargaining unit under the personnel system
16 reform act of 2002, and except the certificated employees of the state
17 schools for the deaf and blind and employees of community and technical
18 colleges covered by the provisions of Initiative Measure No. 732. Also
19 included are employees in the Washington management service, and exempt
20 employees under the jurisdiction of the personnel resources board or
21 the director of personnel, as applicable. However, community and
22 technical colleges shall increase salaries of all classified staff not
23 covered by Initiative Measure No. 732 or by a collective bargaining
24 agreement under the personnel system reform act of 2002 by 3.2% of pay
25 effective September 1, 2005. Community and technical colleges shall
26 provide to exempt professional staff an average salary increase of 3.2%
27 of pay beginning September 1, 2005. The appropriations are also
28 sufficient to fund for the four-year higher education institutions an
29 average salary increase of 3.2% effective September 1, 2005, for
30 faculty, exempt administrative and professional staff, graduate
31 assistants, and other nonclassified staff. Funds provided in this
32 section may not be used for any other purpose by institutions of higher
33 education, including for other pay increases.

34 The appropriations are also sufficient to fund a 3.2% salary
35 increase effective September 1, 2005, for general government,
36 legislative, and judicial employees exempt from merit system rules

1 whose maximum salaries are not set by the commission on salaries for
2 elected officials.

3 (b) Appropriations are provided for a 1.6% salary increase
4 effective September 1, 2006, until June 30, 2007, for all classified
5 employees, except those represented by a collective bargaining unit
6 under the personnel system reform act of 2002, and except the
7 certificated employees of the state schools for the deaf and blind and
8 employees of community and technical colleges covered by the provisions
9 of Initiative Measure No. 732. Also included are employees in the
10 Washington management service, and exempt employees under the
11 jurisdiction of the personnel resources board or the director of
12 personnel, as applicable. However, community and technical colleges
13 shall increase salaries of all classified and instructional staff not
14 covered by Initiative Measure No. 732 or by a collective bargaining
15 agreement under the personnel system reform act of 2002 by 1.6% of pay
16 effective September 1, 2006, until June 30, 2007. Community and
17 technical colleges shall provide to exempt professional staff an
18 average salary increase of 1.6% of pay, beginning September 1, 2006,
19 until June 30, 2007. The appropriations are also sufficient to fund
20 for the four-year higher education institutions an average salary
21 increase of 1.6% effective September 1, 2006, for faculty, exempt
22 administrative and professional staff, graduate assistants, and other
23 nonclassified staff. Funds provided in this section may not be used
24 for any other purpose by institutions of higher education, including
25 for other pay increases. The appropriations are also sufficient to
26 fund a 1.6% salary increase effective September 1, 2006, until June 30,
27 2007, for general government, legislative, and judicial employees
28 exempt from merit system rules whose maximum salaries are not set by
29 the commission on salaries for elected officials.

30 (2) Salary Survey.

31 For state employees, except those represented by a bargaining unit
32 under the personnel system reform act of 2002, funding is provided for
33 implementation of the department of personnel's 2002 salary survey, for
34 job classes more than 25% below market rates.

35 NEW SECTION. **Sec. 950. CLASSIFICATION REVISIONS.** Funding is
36 provided for partial implementation of classification consolidation and

1 revisions under the personnel system reform act of 2002. Groups 2 and
2 3 of the department of personnel's initial class consolidation plan are
3 affected.

4 NEW SECTION. **Sec. 951. COLLECTIVE BARGAINING AGREEMENTS.**

5 Provisions of collective bargaining agreements contained in sections
6 948 and 950 through 980 of this act are described in general terms.
7 Only major economic terms are included in the descriptions. These
8 descriptions do not contain the complete contents of the agreements.
9 Extraordinary challenges were presented to employers and employees in
10 negotiating the initial collective bargaining agreements under the
11 Personnel Services Reform Act of 2002. Several agreements not
12 concluded by the October 1st statutory deadline are described in the
13 following sections and funded within the respective agencies. The
14 legislature does not intend to fund bargaining agreements concluded
15 after the October 1st deadline in future biennia.

16 NEW SECTION. **Sec. 952. COLLECTIVE BARGAINING AGREEMENT--WFSE.**

17 Funding is provided for the collective bargaining agreement reached
18 between the governor and the Washington federation of state employees
19 under the personnel system reform act of 2002. For employees covered
20 under this agreement, funding is provided for a 3.2% salary increase
21 effective July 1, 2005. Funding is also provided for a 1.6% increase
22 effective July 1, 2006, until June 30, 2007, and for implementation of
23 the department of personnel 2002 salary survey for classes more than
24 25% below market rates.

25 NEW SECTION. **Sec. 953. COLLECTIVE BARGAINING AGREEMENT--WPEA.**

26 Funding is provided for the collective bargaining agreement reached
27 between the governor and the Washington public employees association
28 under the personnel system reform act of 2002. For employees covered
29 under this agreement, funding is provided for a 3.2% salary increase
30 effective July 1, 2005. Funding is also provided for a 1.6% increase
31 effective July 1, 2006, until June 30, 2007, and for implementation of
32 the department of personnel 2002 salary survey for classes more than
33 25% below market rates.

1 NEW SECTION. **Sec. 954. COLLECTIVE BARGAINING AGREEMENT--UFCW.**

2 Funding is provided for the collective bargaining agreement reached
3 between the governor and the united food and commercial workers under
4 the personnel system reform act of 2002. For employees covered under
5 this agreement, funding is provided for a 3.2% salary increase
6 effective July 1, 2005. Funding is also provided for a 1.6% increase
7 effective July 1, 2006 until June 30, 2007.

8 NEW SECTION. **Sec. 955. COLLECTIVE BARGAINING AGREEMENT--**

9 **TEAMSTERS.** Funding is provided for the collective bargaining agreement
10 reached between the governor and the brotherhood of teamsters under the
11 personnel system reform act of 2002. For employees covered under this
12 agreement, funding is provided for a 3.2% salary increase effective
13 July 1, 2005. Funding is also provided for a 2.9% increase effective
14 July 1, 2006, until June 30, 2007, and for implementation of the
15 department of personnel 2002 salary survey for classes more than 25%
16 below market rates.

17 NEW SECTION. **Sec. 956. COLLECTIVE BARGAINING--COALITION.**

18 Funding is provided for the collective bargaining agreement reached
19 between the governor and the coalition under the personnel system
20 reform act of 2002. For employees covered under this agreement,
21 funding is provided for a 3.2% salary increase effective July 1, 2005.
22 Funding is also provided for a 1.6% increase effective July 1, 2006,
23 until June 30, 2007, and for implementation of the department of
24 personnel 2002 salary survey for classes more than 25% below market
25 rates.

26 NEW SECTION. **Sec. 957. COLLECTIVE BARGAINING--IFPTE.** Funding

27 is provided for the collective bargaining agreement reached between the
28 governor and the international federation of professional and technical
29 engineers local 17 under the personnel system reform act of 2002. For
30 employees covered under this agreement, funding is provided for a 3.2%
31 salary increase effective July 1, 2005. Funding is also provided for
32 a 1.6% increase effective July 1, 2006, until June 30, 2007, and for
33 implementation of the department of personnel 2002 salary survey for
34 classes more than 25% below market rates.

1 NEW SECTION. **Sec. 958. COLLECTIVE BARGAINING AGREEMENT--SEIU**
2 **1199.** Funding is provided for the collective bargaining agreement
3 reached between the governor and the service employees international
4 union, local 1199 NW under the personnel system reform act of 2002.
5 For employees covered under this agreement, funding is provided for a
6 3.2% salary increase effective July 1, 2005. Funding is also provided
7 for a 1.6% increase effective July 1, 2006, until June 30, 2007, and
8 for negotiated changes to the "N" range salary schedule.

9 NEW SECTION. **Sec. 959. COLLECTIVE BARGAINING AGREEMENT--WFSE**
10 **HIGHER EDUCATION.** Funding is provided for the collective bargaining
11 agreement reached between the governor and the Washington federation of
12 state employees in higher education under the personnel system reform
13 act of 2002. For employees covered under this agreement, funding is
14 provided for a 3.2% salary increase effective July 1, 2005. Funding is
15 also provided for a 1.6% increase effective July 1, 2006, until June
16 30, 2007, and for implementation of the department of personnel 2002
17 salary survey for classes more than 25% below market rates.

18 NEW SECTION. **Sec. 960. COLLECTIVE BARGAINING AGREEMENT--WPEA**
19 **HIGHER EDUCATION.** Funding is provided for the collective bargaining
20 agreement reached between the governor and the Washington public
21 employees association in higher education under the personnel system
22 reform act of 2002. For employees covered under this agreement,
23 funding is provided for a 3.2% salary increase effective July 1, 2005.
24 Funding is also provided for a 1.6% increase effective July 1, 2006,
25 until June 30, 2007, and for implementation of the department of
26 personnel 2002 salary survey for classes more than 25% below market
27 rates.

28 NEW SECTION. **Sec. 961. COLLECTIVE BARGAINING AGREEMENT--WESTERN**
29 **WASHINGTON UNIVERSITY, WFSE BU A.** Budget amounts reflect the
30 collective bargaining agreement reached between the Western Washington
31 University and the Washington federation of state employees bargaining
32 unit A under the personnel system reform act of 2002. For employees
33 covered under this agreement, provisions include a 3.2% salary increase
34 effective July 1, 2005, a 1.6% increase effective July 1, 2006, until

1 June 30, 2007, and implementation of the department of personnel 2002
2 salary survey for classes more than 25% below market rates.

3 NEW SECTION. **Sec. 962. COLLECTIVE BARGAINING AGREEMENT--WESTERN**
4 **WASHINGTON UNIVERSITY, WFSE BU B.** Budget amounts reflect the
5 collective bargaining agreement reached between the Western Washington
6 University and the Washington federation of state employees bargaining
7 unit B under the personnel system reform act of 2002. For employees
8 covered under this agreement, provisions include a 3.2% salary increase
9 effective July 1, 2005, a 1.6% increase effective July 1, 2006, until
10 June 30, 2007, and implementation of the department of personnel 2002
11 salary survey for classes more than 25% below market rates.

12 NEW SECTION. **Sec. 963. COLLECTIVE BARGAINING AGREEMENT--**
13 **WPEA/PROFESSIONAL LOCAL 365 UNIT C--WESTERN WASHINGTON UNIVERSITY.**
14 Budget amounts reflect the collective bargaining agreement reached
15 between the Western Washington University and the Washington Public
16 Employees Association bargaining unit C under the personnel system
17 reform act of 2002. For employees covered under this agreement,
18 provisions include a 3.2% salary increase effective July 1, 2005.
19 Provisions also include a 1.6% increase effective July 1, 2006, until
20 June 30, 2007, and for implementation of the department of personnel
21 2002 salary survey for classes more than 25% below market rates.

22 NEW SECTION. **Sec. 964. COLLECTIVE BARGAINING AGREEMENT--WESTERN**
23 **WASHINGTON UNIVERSITY, WFSE BU E.** Budget amounts reflect the
24 collective bargaining agreement reached between the Western Washington
25 University and the Washington federation of state employees bargaining
26 unit E under the personnel system reform act of 2002. For employees
27 covered under this agreement, provisions include a 3.2% salary increase
28 effective July 1, 2005, and a 1.6% increase effective July 1, 2006,
29 until June 30, 2007.

30 NEW SECTION. **Sec. 965. COLLECTIVE BARGAINING AGREEMENT--**
31 **WASHINGTON STATE UNIVERSITY, WSU POLICE GUILD.** Budget amounts reflect
32 the collective bargaining agreement reached between Washington State
33 University and the Washington State University police guild bargaining
34 unit under the personnel system reform act of 2002. For employees

1 covered under this agreement, provisions include a 3.2% salary increase
2 effective July 1, 2005, and a 2.9% lump sum payment effective July 1,
3 2006.

4 NEW SECTION. **Sec. 966. COLLECTIVE BARGAINING AGREEMENT--**
5 **WASHINGTON STATE UNIVERSITY, WFSE BU 1 AND 11.** Budget amounts reflect
6 the collective bargaining agreement reached between Washington State
7 University and the Washington federation of state employees bargaining
8 unit 1--research and extension units west of the Cascades, bargaining
9 unit 5--library and bargaining unit 11--intercollegiate college of
10 nursing under the personnel system reform act of 2002. For employees
11 covered under this agreement, provisions include a 3.2% salary increase
12 effective July 1, 2005. Provisions also include a 2% lump sum payment
13 effective July 1, 2006.

14 NEW SECTION. **Sec. 967. COLLECTIVE BARGAINING AGREEMENT--**
15 **UNIVERSITY OF WASHINGTON, SEIU 925.** Budget amounts reflect the
16 collective bargaining agreements reached between the University of
17 Washington and the service employees international union university-
18 wide nonsupervisory, university-wide supervisory, research
19 technologist, research technologist supervisor, and medical/laboratory
20 technologist bargaining units under the personnel system reform act of
21 2002. For employees covered under this agreement, provisions include
22 a 3.2% salary increase effective July 1, 2005, a 1.6% increase
23 effective July 1, 2006, until June 30, 2007, implementation of a
24 University of Washington salary survey, and adjustment to the salary
25 grid.

26 NEW SECTION. **Sec. 968. COLLECTIVE BARGAINING AGREEMENT--**
27 **UNIVERSITY OF WASHINGTON, WFSE.** Budget amounts reflect the collective
28 bargaining agreements reached between the University of Washington and
29 the Washington federation of state employees campus-wide, library,
30 custodial supervisor, Harborview medical center, and Harborview medical
31 center public safety officers bargaining units under the personnel
32 system reform act of 2002. For employees covered under this agreement,
33 provisions include a 3.2% salary increase effective July 1, 2005, a
34 1.6% increase effective July 1, 2006, until June 30, 2007, and
35 implementation of a University of Washington salary survey.

1 NEW SECTION. **Sec. 969. COLLECTIVE BARGAINING AGREEMENT--**
2 **UNIVERSITY OF WASHINGTON, WFSE, SKILLED TRADES.** Budget amounts reflect
3 the collective bargaining agreements reached between the University of
4 Washington and the Washington federation of state employees, skilled
5 trades bargaining unit under the personnel system reform act of 2002.
6 For employees covered under this agreement, provisions include a \$1.00
7 per hour increase effective July 1, 2005, an increase in shift
8 differential pay, and an adjustment to the grid.

9 NEW SECTION. **Sec. 970. COLLECTIVE BARGAINING AGREEMENT--**
10 **UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW PROFESSIONAL AND TECHNICAL.**
11 Budget amounts reflect the collective bargaining agreement reached
12 between the University of Washington and the service employee
13 international union Harborview medical center professional and
14 technical bargaining unit under the personnel system reform act of
15 2002. For employees covered under this agreement, provisions include
16 a 1.5% salary increase effective January 1, 2006, a 1.5% salary
17 increase effective January 1, 2007, an adjustment to the salary grid,
18 and changes in premium pay.

19 NEW SECTION. **Sec. 971. COLLECTIVE BARGAINING AGREEMENT--**
20 **UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW NURSES.** Budget amounts
21 reflect the collective bargaining agreement reached between the
22 University of Washington and the service employee international union
23 Harborview medical center registered nurse bargaining unit under the
24 personnel system reform act of 2002. For employees covered under this
25 agreement, provisions include a 2.0% salary increase effective July 1,
26 2005, a 2.0% salary increase effective July 1, 2006, a 2.0% salary
27 increase effective January 1, 2007, an adjustment to the salary grid,
28 and changes in premium pay.

29 NEW SECTION. **Sec. 972. COLLECTIVE BARGAINING AGREEMENT--**
30 **UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW SOCIAL WORK.** Budget
31 amounts reflect the collective bargaining agreements reached between
32 the University of Washington and the service employee international
33 union Harborview medical center social work and health care specialist
34 bargaining units under the personnel system reform act of 2002. For
35 employees covered under this agreement, provisions include a 2.0%

1 salary increase effective July 1, 2005, a 2.0% salary increase
2 effective July 1, 2006, a 1.0% salary increase effective January 1,
3 2007, an adjustment to the salary grid, and changes in premium pay.

4 NEW SECTION. **Sec. 973. COLLECTIVE BARGAINING AGREEMENT--**
5 **UNIVERSITY OF WASHINGTON POLICE OFFICERS ASSOCIATION.** Budget amounts
6 reflect the collective bargaining agreements reached between the
7 University of Washington and the University of Washington police
8 officers association bargaining unit under the personnel system reform
9 act of 2002. For employees covered under this agreement, provisions
10 include a 3.2% salary increase effective July 1, 2005, a 1.6% increase
11 effective July 1, 2006, and longevity pay increases.

12 NEW SECTION. **Sec. 974. COLLECTIVE BARGAINING AGREEMENT--**
13 **UNIVERSITY OF WASHINGTON WFSE UW POLICE MANAGEMENT.** Budget amounts
14 reflect the collective bargaining agreements reached between the
15 University of Washington and the Washington federation of state
16 employees police management bargaining unit under the personnel system
17 reform act of 2002. For employees covered under this agreement,
18 provisions include a 3.2% salary increase effective July 1, 2005, and
19 a 15% supervisory differential effective July 1, 2006.

20 NEW SECTION. **Sec. 975. COLLECTIVE BARGAINING AGREEMENT--**
21 **UNIVERSITY OF WASHINGTON WASHINGTON STATE NURSES ASSOCIATION.** Budget
22 amounts reflect the collective bargaining agreement reached between the
23 University of Washington and the Washington state nurses association
24 university medical center registered nurses bargaining unit under the
25 personnel system reform act of 2002. For employees covered under this
26 agreement, provisions include a 2.0% salary increase effective July 1,
27 2005, a 2.0% salary increase effective July 1, 2006, a 2.0% salary
28 increase effective January 1, 2007, an adjustment to the salary grid,
29 and changes in premium pay.

30 NEW SECTION. **Sec. 976. COLLECTIVE BARGAINING AGREEMENT--**
31 **UNIVERSITY OF WASHINGTON INLAND BOATMEN'S UNION.** Budget amounts
32 reflect the collective bargaining agreement reached between the
33 University of Washington and the inland boatmen's union of the Pacific
34 Thompson research vessel crew bargaining unit under the personnel

1 system return act of 2002. For employees covered under this agreement,
2 provisions include a 3.2% salary increase effective July 1, 2006, and
3 a 1.6% salary increase effective July 1, 2006, until June 30, 2007.

4 NEW SECTION. **Sec. 977. COLLECTIVE BARGAINING AGREEMENT--WFSE**
5 **UNIT 2 EASTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the
6 collective bargaining agreement reached between Eastern Washington
7 University and the Washington federation of state employees bargaining
8 unit 2 under the personnel system reform act of 2002. For employees
9 covered under this agreement, provisions include a 3.2% salary increase
10 effective July 1, 2005. Provisions also include a 1.6% salary increase
11 effective July 1, 2006, until June 30, 2007, and for a \$500 lump-sum
12 payment to full-time employees, and pro-rated for part-time employees,
13 effective July 1, 2005.

14 NEW SECTION. **Sec. 978. COLLECTIVE BARGAINING AGREEMENT--WFSE**
15 **UNIT 1 EASTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the
16 collective bargaining agreement reached between Eastern Washington
17 University and the Washington federation of state employees bargaining
18 unit 1 under the personnel system reform act of 2002. For employees
19 covered under this agreement, provisions include a 3.2% salary increase
20 effective July 1, 2005. Provisions also include a \$500 lump-sum
21 payment to full-time employees, and pro-rated for part-time employees,
22 effective July 1, 2005, and a lump sum payment of 1.6% of annual salary
23 effective July 1, 2006.

24 NEW SECTION. **Sec. 979. COLLECTIVE BARGAINING AGREEMENT--WFSE**
25 **UNIT 2 CENTRAL WASHINGTON UNIVERSITY.** Budget amounts reflect the
26 collective bargaining agreement reached between Central Washington
27 University and the Washington federation of state employees bargaining
28 unit 2 under the personnel system reform act of 2002. For employees
29 covered under this agreement, provisions include a 3.2% salary increase
30 effective July 1, 2005. Provisions also include a 1.6% increase
31 effective July 1, 2006, until June 30, 2007, and for implementation of
32 the department of personnel 2002 salary survey for classes more than
33 25% below market rates.

1 NEW SECTION. **Sec. 980. COLLECTIVE BARGAINING AGREEMENT--WFSE**
2 **UNIT 1 CENTRAL WASHINGTON UNIVERSITY.** Budget amounts reflect the
3 collective bargaining agreement reached between Central Washington
4 University and the Washington federation of state employees bargaining
5 unit 1 under the personnel system reform act of 2002. For employees
6 covered under this agreement, provisions include a 3.2% salary increase
7 effective July 1, 2005. Provisions also include a 1.6% increase
8 effective July 1, 2006, until June 30, 2007, and for implementation of
9 the department of personnel 2002 salary survey for classes more than
10 25% below market rates.

(End of part)

1 **PART X**

2 **GENERAL GOVERNMENT**

3 **Sec. 1001.** 2004 c 276 s 106 (uncodified) is amended to read as
4 follows:

5 **FOR THE LAW LIBRARY**

6	General Fund--State Appropriation (FY 2004)	\$2,049,000
7	General Fund--State Appropriation (FY 2005)	(\$2,050,000)
8		<u>\$2,089,000</u>
9	TOTAL APPROPRIATION	(\$4,099,000)
10		<u>\$4,138,000</u>

11 **Sec. 1002.** 2004 c 276 s 107 (uncodified) is amended to read as
12 follows:

13 **FOR THE COURT OF APPEALS**

14	General Fund--State Appropriation (FY 2004)	\$12,523,000
15	General Fund--State Appropriation (FY 2005)	(\$12,931,000)
16		<u>\$12,986,000</u>
17	TOTAL APPROPRIATION	(\$25,454,000)
18		<u>\$25,509,000</u>

19 **Sec. 1003.** 2004 c 276 s 108 (uncodified) is amended to read as
20 follows:

21 **FOR THE ADMINISTRATOR FOR THE COURTS**

22	General Fund--State Appropriation (FY 2004)	\$17,374,000
23	General Fund--State Appropriation (FY 2005)	(\$18,036,000)
24		<u>\$17,998,000</u>
25	Public Safety and Education Account--State	
26	Appropriation	(\$43,534,000)
27		<u>\$43,588,000</u>
28	Judicial Information Systems Account--State	
29	Appropriation	\$31,803,000
30	TOTAL APPROPRIATION	(\$110,747,000)
31		<u>\$110,763,000</u>

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

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

5 (2) \$750,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$750,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for court-appointed special
8 advocates in dependency matters. The administrator for the courts,
9 after consulting with the association of juvenile court administrators
10 and the association of court-appointed special advocate/guardian ad
11 litem programs, shall distribute the funds to volunteer court-appointed
12 special advocate/guardian ad litem programs. The distribution of
13 funding shall be based on the number of children who need volunteer
14 court-appointed special advocate representation and shall be equally
15 accessible to all volunteer court-appointed special advocate/guardian
16 ad litem programs. The administrator for the courts shall not retain
17 more than six percent of total funding to cover administrative or any
18 other agency costs.

19 (3) \$16,172,000 of the judicial information systems account--state
20 appropriation is provided solely for improvements and enhancements to
21 the judicial information system. Of this amount, \$1,100,000 is
22 provided solely for disaster recovery planning, equipment, and testing
23 for the judicial information system.

24 (4) \$3,000,000 of the public safety and education account--state
25 appropriation is provided solely for school district petitions to
26 juvenile court for truant students as provided in RCW 28A.225.030 and
27 28A.225.035. The office of the administrator for the courts shall
28 develop an interagency agreement with the office of the superintendent
29 of public instruction to allocate the funding provided in this
30 subsection. Allocation of this money to school districts shall be
31 based on the number of petitions filed.

32 (5) \$13,224,000 of the public safety and education account--state
33 appropriation is provided solely for distribution to county juvenile
34 court administrators to fund the costs of processing truancy, children
35 in need of services, and at-risk youth petitions. The office of the
36 administrator for the courts shall not retain any portion of these
37 funds to cover administrative costs. The office of the administrator
38 for the courts, in conjunction with the juvenile court administrators,

1 shall develop an equitable funding distribution formula. The formula
2 shall neither reward counties with higher than average per-petition
3 processing costs nor shall it penalize counties with lower than average
4 per-petition processing costs.

5 (6) The distributions made under subsection (6) of this section and
6 distributions from the county criminal justice assistance account made
7 pursuant to section 801 of this act constitute appropriate
8 reimbursement for costs for any new programs or increased level of
9 service for purposes of RCW 43.135.060.

10 (7) Each fiscal year during the 2003-05 fiscal biennium, each
11 county shall report the number of petitions processed and the total
12 actual costs of processing truancy, children in need of services, and
13 at-risk youth petitions. Counties shall submit the reports to the
14 administrator for the courts no later than 45 days after the end of the
15 fiscal year. The administrator for the courts shall electronically
16 transmit this information to the chairs and ranking minority members of
17 the house of representatives appropriations committee and the senate
18 ways and means committee no later than 60 days after a fiscal year
19 ends. These reports are deemed informational in nature and are not for
20 the purpose of distributing funds.

21 (8) \$813,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$762,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for billing and related costs for
24 the office of the administrator for the courts pursuant to Engrossed
25 Substitute Senate Bill No. 5990 (supervision of offenders).

26 (9) \$1,800,000 of the public safety and education account
27 appropriation is provided solely for distribution to the county clerks
28 for the collection of legal financial obligations pursuant to Engrossed
29 Substitute Senate Bill No. 5990 (supervision of offenders). The
30 funding shall be distributed by the office of the administrator for the
31 courts to the county clerks in accordance with the funding formula
32 determined by the Washington association of county officials pursuant
33 to Engrossed Substitute Senate Bill No. 5990 (supervision of
34 offenders).

35 **Sec. 1004.** 2004 c 276 s 110 (uncodified) is amended to read as
36 follows:

1 **FOR THE OFFICE OF THE GOVERNOR**

2	General Fund--State Appropriation (FY 2004)	\$3,773,000
3	General Fund--State Appropriation (FY 2005)	(\$4,011,000)
4		<u>\$4,183,000</u>
5	General Fund--Federal Appropriation	\$1,140,000
6	Water Quality Account--State	
7	Appropriation	\$3,854,000
8	TOTAL APPROPRIATION	(\$12,778,000)
9		<u>\$12,950,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$3,854,000 of the water quality account
12 appropriation and \$1,140,000 of the general fund--federal appropriation
13 are provided solely for the Puget Sound water quality action team to
14 implement the Puget Sound work plan and agency action items PSAT-01
15 through PSAT-05.

16 **Sec. 1005.** 2004 c 276 s 111 (uncodified) is amended to read as
17 follows:

18 **FOR THE SECRETARY OF STATE**

19	General Fund--State Appropriation (FY 2004)	\$24,336,000
20	General Fund--State Appropriation (FY 2005)	(\$17,092,000)
21		<u>\$18,946,000</u>
22	General Fund--Federal Appropriation	\$6,967,000
23	Archives and Records Management Account--State	
24	Appropriation	(\$8,414,000)
25		<u>\$8,460,000</u>
26	Department of Personnel Service Account--State	
27	Appropriation	\$699,000
28	Election Account--State Appropriation	\$3,140,000
29	Election Account--Federal Appropriation	\$33,121,000
30	Local Government Archives Account--State Appropriation	\$9,010,000
31	TOTAL APPROPRIATION	(\$96,741,000)
32		<u>\$104,679,000</u>

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

35 (1) \$2,296,000 of the general fund--state appropriation for fiscal
36 year 2004 is provided solely to reimburse counties for the state's
37 share of primary and general election costs and the costs of conducting

1 mandatory recounts on state measures. Counties shall be reimbursed
2 only for those odd-year election costs that the secretary of state
3 validates as eligible for reimbursement.

4 (2) \$1,826,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,686,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the verification of initiative
7 and referendum petitions, maintenance of related voter registration
8 records, and the publication and distribution of the voters and
9 candidates pamphlet.

10 (3) \$125,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$118,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for legal advertising of state
13 measures under RCW 29.27.072.

14 (4)(a) \$1,944,004 of the general fund--state appropriation for
15 fiscal year 2004 and \$1,986,772 of the general fund--state
16 appropriation for fiscal year 2005 are provided solely for contracting
17 with a nonprofit organization to produce gavel-to-gavel television
18 coverage of state government deliberations and other events of
19 statewide significance during the 2003-05 biennium. The funding level
20 for each year of the contract shall be based on the amount provided in
21 this subsection. The nonprofit organization shall be required to raise
22 contributions or commitments to make contributions, in cash or in kind,
23 in an amount equal to forty percent of the state contribution. The
24 office of the secretary of state may make full or partial payment once
25 all criteria in (a) and (b) of this subsection have been satisfactorily
26 documented.

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

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

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

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

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

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

10 (5) \$252,000 of the archives and records management account--state
11 appropriation and \$1,504,000 of the local government archives account--
12 state appropriation are provided solely for additional facility capital
13 costs, digital archive technology architecture costs, and additional
14 digital archive staff and operational costs, associated with the new
15 eastern regional archives and digital archives facility.

16 (6) The entire election account--state appropriation in this
17 section is provided solely as state match funding for federal moneys
18 provided under the Help America Vote act (P.L. 107-252). Of the state
19 match funding provided, the secretary of state may expend only the
20 amount required to match the federal funding received, and any amount
21 that is not necessary to match the federal funding shall lapse. After
22 receipt of the federal moneys, the office of the secretary of state
23 shall notify the appropriations committee of the house of
24 representatives and the ways and means committee of the senate of the
25 amount of federal funding received and the associated required state
26 match.

27 (7) \$953,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely for attorneys' fees and costs associated
29 with litigation regarding the blanket primary, including costs already
30 awarded by the U.S. Court of Appeals for the Ninth Circuit.

31 (8) \$451,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely to reimburse counties for fifty percent of
33 the costs of the manual recount in the 2004 gubernatorial election.

34 **Sec. 1006.** 2004 c 276 s 115 (uncodified) is amended to read as
35 follows:

36 **FOR THE ATTORNEY GENERAL**

37 General Fund--State Appropriation (FY 2004) \$4,345,000

1	General Fund--State Appropriation (FY 2005)	((\$4,166,000))
2		<u>\$4,518,000</u>
3	General Fund--Federal Appropriation	\$2,845,000
4	Public Safety and Education Account--State	
5	Appropriation	\$2,001,000
6	Tobacco Prevention and Control Account--State	
7	Appropriation	\$270,000
8	New Motor Vehicle Arbitration Account--State	
9	Appropriation	\$1,180,000
10	Legal Services Revolving Account--State	
11	Appropriation	((\$166,624,000))
12		<u>\$170,746,000</u>
13	TOTAL APPROPRIATION	((\$181,431,000))
14		<u>\$185,905,000</u>

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

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

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

28 (3) \$818,000 of the legal services revolving account--state
29 appropriation is provided solely for legal defense costs associated
30 with *Pacific Sound Resources v. Burlington Northern Santa Fe Railroad*
31 *et al.*

32 (4) \$70,000 of the legal services revolving account--state
33 appropriation is provided solely to implement Engrossed Second
34 Substitute Senate Bill No. 6489 (correctional industries). If the bill
35 is not enacted by June 30, 2004, the amount provided in this subsection
36 shall lapse.

1 **Sec. 1007.** 2004 c 276 s 117 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

4	General Fund--State Appropriation (FY 2004)	\$61,805,000
5	General Fund--State Appropriation (FY 2005)	(\$66,566,000)
6		<u>\$66,760,000</u>
7	General Fund--Federal Appropriation	\$236,264,000
8	General Fund--Private/Local Appropriation	\$15,075,000
9	Public Safety and Education Account--State	
10	Appropriation	\$10,095,000
11	Public Works Assistance Account--State	
12	Appropriation	\$2,088,000
13	Building Code Council Account--State	
14	Appropriation	\$1,061,000
15	Administrative Contingency Account--State	
16	Appropriation	\$1,776,000
17	Low-Income Weatherization Assistance Account--State	
18	Appropriation	\$8,293,000
19	Violence Reduction and Drug Enforcement Account--	
20	State Appropriation	\$9,013,000
21	Manufactured Home Installation Training Account--	
22	State Appropriation	\$256,000
23	Community Economic Development Account--	
24	State Appropriation	\$1,581,000
25	Washington Housing Trust Account--State	
26	Appropriation	(\$16,740,000)
27		<u>\$17,415,000</u>
28	Public Facility Construction Loan Revolving	
29	Account--State Appropriation	\$622,000
30	Lead Paint Account--State Appropriation	\$6,000
31	Developmental Disabilities Endowment Trust Fund--	
32	State Appropriation	\$120,000
33	Homeless Families Services Fund--State	
34	Appropriation	\$150,000
35	TOTAL APPROPRIATION	(\$431,511,000)
36		<u>\$432,380,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (6) \$205,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$205,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for grants to Washington Columbia
32 River Gorge counties to implement their responsibilities under the
33 national scenic area management plan. Of this amount, \$390,000 is
34 provided for Skamania county and \$20,000 is provided for Clark county.

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

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

10 (9) \$369,000 of the community economic development account
11 appropriation and \$120,000 of the developmental disabilities endowment
12 trust fund appropriation are provided solely for support of the
13 developmental disabilities endowment governing board and costs of the
14 endowment program. The governing board may use appropriations to
15 implement a sliding-scale fee waiver for families earning below 150
16 percent of the state median family income.

17 (10) \$800,000 of the general fund--federal appropriation and \$6,000
18 of the lead paint account--state appropriation are provided solely to
19 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).
20 If the bill is not enacted by June 30, 2003, the amounts provided in
21 this subsection shall lapse.

22 (11) \$125,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$475,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the business retention and
25 expansion program to fund contracts with locally based development
26 organizations for local business and job retention activities. In
27 administering new and existing funding for the business retention and
28 expansion program, the department shall ensure the existing local
29 programs are funded at levels that meet or exceed the funding provided
30 in the 2001-2003 biennium.

31 (12) \$200,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$200,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the tourism office to market
34 Washington state as a travel destination to northwest states,
35 California, and British Columbia. By December 1, 2004, the department
36 shall report to the relevant legislative policy and fiscal committees
37 on the effectiveness of these expenditures.

1 (13) \$200,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$200,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for business development
4 activities to conduct statewide and/or regional business recruitment
5 and client lead generation services. In administering this funding,
6 the department shall solicit recommendations from a statewide economic
7 development organization representing associate development
8 organizations.

9 (14) \$60,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$60,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the community services block
12 grant program for pass-through to community action agencies.

13 (15) \$26,862,000 of the general fund--state appropriation for
14 fiscal year 2004 and \$26,862,000 of the general fund--state
15 appropriation for fiscal year 2005 are provided solely for providing
16 early childhood education assistance.

17 (16) Within the amounts appropriated in this section, funding is
18 provided for Washington state dues for the Pacific northwest economic
19 region.

20 (17) \$200,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$200,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the foreign offices (overseas
23 representatives) to expand local capacity for China, expand operations
24 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
25 exporters in expanding their sales opportunities.

26 (18) \$600,000 of the public safety and education account
27 appropriation is provided solely for sexual assault prevention and
28 treatment programs.

29 (19) \$65,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$65,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for a contract with a food
32 distribution program for communities in the southwestern portion of the
33 state and for workers impacted by timber and salmon fishing closures
34 and reductions. The department may not charge administrative overhead
35 or expenses to the funds provided in this subsection.

36 (20) Repayments of outstanding loans granted under RCW 43.63A.600,
37 the mortgage and rental assistance program, shall be remitted to the
38 department, including any current revolving account balances. The

1 department shall contract with a lender or contract collection agent to
2 act as a collection agent of the state. The lender or contract
3 collection agent shall collect payments on outstanding loans, and
4 deposit them into an interest-bearing account. The funds collected
5 shall be remitted to the department quarterly. Interest earned in the
6 account may be retained by the lender or contract collection agent, and
7 shall be considered a fee for processing payments on behalf of the
8 state. Repayments of loans granted under this chapter shall be made to
9 the lender or contract collection agent as long as the loan is
10 outstanding, notwithstanding the repeal of the chapter.

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

14 (22) \$10,208,818 of the general fund--federal appropriation is
15 provided solely for the drug control and system improvement formula
16 grant program, to be distributed in state fiscal year 2005 as follows:

17 (a) \$3,533,522 to local units of government to continue
18 multijurisdictional narcotics task forces;

19 (b) \$608,002 to the department to continue the drug prosecution
20 assistance program in support of multijurisdictional narcotics task
21 forces;

22 (c) \$1,336,624 to the Washington state patrol for coordination,
23 investigative, and supervisory support to the multijurisdictional
24 narcotics task forces and for methamphetamine education and response;

25 (d) \$196,130 to the department for grants to support tribal law
26 enforcement needs;

27 (e) \$971,823 to the department of social and health services,
28 division of alcohol and substance abuse, for drug courts in eastern and
29 western Washington;

30 (f) \$296,697 to the department for training and technical
31 assistance of public defenders representing clients with special needs;

32 (g) \$683,586 to the department to continue domestic violence legal
33 advocacy;

34 (h) \$885,526 to the department of social and health services,
35 juvenile rehabilitation administration, to continue youth violence
36 prevention and intervention projects;

37 (i) \$59,688 to the department for community-based advocacy services

1 to victims of violent crime, other than sexual assault and domestic
2 violence;

3 (j) \$89,239 to the department to continue the governor's council on
4 substance abuse;

5 (k) \$97,084 to the department to continue evaluation of Byrne
6 formula grant programs;

7 (l) \$650,846 to the office of financial management for criminal
8 history records improvement; and

9 (m) \$800,051 to the department for required grant administration,
10 monitoring, and reporting on Byrne formula grant programs.

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

23 (23) \$100,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$400,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the purpose of grants to
26 support the base realignment and closure process. The department shall
27 develop and implement criteria and procedures such as the types of
28 activities that can be funded by the grants and requirements for local
29 matching funds for the issuance of grants to one organization within:
30 Island county, Kitsap county, Pierce county, Snohomish county, and
31 Spokane county. The department shall use a portion of the funding
32 provided to support the related activities of state agencies as
33 identified by the governor.

34 (24) \$163,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely for pass through to community voice mail
36 agencies as identified in this subsection, in order for these agencies
37 to provide people in crisis and transition free and personalized voice
38 mail services:

- 1 (a) The Opportunity Council, Bellingham, \$15,000;
2 (b) Skagit Community Action, Skagit county, \$12,000;
3 (c) The Opportunity Council, Island county, \$11,000;
4 (d) Volunteers of America, Snohomish county, \$10,616;
5 (e) Fremont Public Association, Seattle, \$27,909;
6 (f) Metropolitan Development Council, Tacoma, \$10,475;
7 (g) Community Voice Mail National, Olympia, \$18,000;
8 (h) Council on Homelessness, Vancouver, \$12,500;
9 (i) Chelan-Douglas Community Action, north central Washington,
10 \$13,000;
11 (j) Benton-Franklin Community Action, south central Washington,
12 \$17,500; and
13 (k) SNAP, Spokane, \$15,000.

14 (25) \$634,000 of the general fund--state appropriation for fiscal
15 year 2004, \$634,000 of the general fund--state appropriation for fiscal
16 year 2005, and \$1,101,000 of the administrative contingency account
17 appropriation are provided solely for contracting with associate
18 development organizations to maintain existing programs.

19 (26) \$150,000 of the general fund--state appropriation for fiscal
20 year 2005 is provided solely to the department of community, trade, and
21 economic development for the northwest orthopaedic institute to develop
22 additional organizational infrastructure to assist community-based
23 musculoskeletal health research.

24 (27) \$300,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely to the department of community, trade, and
26 economic development for the youth assessment center in Pierce county
27 for activities dedicated to reducing the rate of incarceration of
28 juvenile offenders.

29 (28) \$99,000 of the general fund--state appropriation for fiscal
30 year 2005 is provided solely for the retired senior volunteer program.

31 (29) \$2,000,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for increased civil legal services for the
33 indigent. Of this amount, \$100,000 shall be allocated to a general
34 farm organization with members in every county of the state to develop
35 and administer an alternative dispute resolution system for disputes
36 between farmers and farm workers.

37 (30) \$2,000,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for deposit in the homeless families
2 services fund created in section 718 of this act.

3 (31) The entire homeless families services fund--state
4 appropriation is provided solely to administer the homeless families
5 fund and program created in section 718 of this act. It is the intent
6 of the legislature that beginning with the 2005-07 biennium, the
7 department choose a qualified contractor to administer the homeless
8 families services fund program.

9 (32) \$421,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$193,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to coordinate the state's efforts
12 in siting the 7E7 final assembly plant.

13 (33) \$60,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely for a study under (a) through (i) of this
15 subsection. Expenditure of this amount is contingent upon a \$60,000
16 match from a county with a population exceeding one million. The
17 department shall conduct a study to:

18 (a) Detail the progress in each of the buildable land counties to
19 date in achieving annexation or incorporation of its urban growth area
20 since adoption of the county's county-wide planning policies to the
21 present time by documenting:

- 22 (i) The number of acres annexed;
- 23 (ii) The number of acres incorporated;
- 24 (iii) The number of residents annexed, incorporated, and remaining
25 in urban unincorporated areas; and
- 26 (iv) The characteristic of urban land remaining unincorporated in
27 terms of assessed value, infrastructure deficits, service needs, land
28 use, commercial development, and residential development;

29 (b) Determine the characteristics of remaining urban unincorporated
30 areas and current statutes, and estimate when all urban unincorporated
31 areas in each county will be annexed or incorporated, based on the rate
32 of progress to date;

33 (c) Survey the counties to identify those obstacles which, in their
34 experience, slow or prohibit annexation;

35 (d) Survey the cities in each of the subject counties to identify
36 obstacles, which in their experience, slow or prohibit annexation;

37 (e) Survey residents of urban unincorporated areas in each of the

1 subject counties to identify their attitudes towards annexation or
2 incorporation;

3 (f) Propose possible changes to city and county taxing authority
4 which will serve to aid the transfer of annexation of remaining urban
5 growth areas in a timely manner;

6 (g) Identify and discuss the need for funding of capital
7 improvement projects needed to provide urban levels of service;

8 (h) Assess the role and statutory authority of the boundary review
9 board and how altering their role and authority might facilitate
10 annexation; and

11 (i) Propose possible changes to growth management or annexation
12 processes which will facilitate annexation.

13 The department shall report to the local government committees of
14 the legislature no later than December 1, 2004.

15 If a county does not wish to participate in this study, the county
16 administrative officer shall submit those intentions, in writing, to
17 the department no later than July 1, 2004.

18 (34) \$150,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely for deposit in the small business
20 incubator account to implement Engrossed Substitute House Bill No. 2784
21 (small business incubator program). If this bill is not enacted by
22 June 30, 2004, the amount provided in this subsection shall lapse.

23 (35) (~~(\$75,000)~~) \$54,000 of the general fund--state appropriation
24 for fiscal year (~~(2004)~~) 2005 is provided solely to implement
25 Substitute Senate Bill No. 6488 (agricultural lands study). (~~(If the~~
26 ~~bill is not enacted by June 30, 2004, the amount provided in this~~
27 ~~subsection shall lapse.)~~)

28 **Sec. 1008.** 2004 c 276 s 118 (uncodified) is amended to read as
29 follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

31	General Fund--State Appropriation (FY 2004)	\$12,617,000
32	General Fund--State Appropriation (FY 2005)	((\$12,860,000))
33		<u>\$12,905,000</u>
34	General Fund--Federal Appropriation	\$23,924,000
35	Violence Reduction and Drug Enforcement	
36	Account--State Appropriation	\$242,000
37	State Auditing Services Revolving	

1	Account--State Appropriation	\$25,000
2	TOTAL APPROPRIATION	(\$49,668,000)
3		<u>\$49,713,000</u>

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

6 (1) \$67,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$232,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely to implement Second Substitute
9 Senate Bill No. 5694 (integrated permit system) and Second Substitute
10 Senate Bill No. 6217 (regulatory improvement center). If Second
11 Substitute Senate Bill No. 6217 is not enacted by June 30, 2004,
12 \$50,000 of the general fund--state appropriation for fiscal year 2005
13 shall lapse.

14 (2) By November 15, 2003, the office of financial management shall
15 report to the house of representatives committees on appropriations,
16 capital budget, and transportation and to the senate committees on ways
17 and means and highways and transportation on the ten general priorities
18 of government upon which the 2005-07 biennial budgets will be
19 structured. Each priority must include a proposed set of cross agency
20 activities with definitions and outcome measures. For historical
21 comparisons, the 2001-03 expenditures and 2003-05 appropriations must
22 be restated in this format and organized by priority, activity, fund
23 source, and agency.

24 (3) \$40,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for the office of financial management to
26 contract for an evaluation of the costs and benefits of additional
27 efforts aimed at encouraging K-12 employee collective bargaining units
28 to elect coverage under public employee benefits board (PEBB)
29 administered health care plans. This evaluation will include, but is
30 not limited to, the following: A review of current processes for the
31 procurement of health benefit coverage by K-12 employees; an assessment
32 of the costs and benefits for the state, local school districts, and K-
33 12 employees of moving to PEBB administered health care plans; and
34 options for creating incentives for K-12 employee collective bargaining
35 units moving to PEBB administered plans. The office of financial
36 management shall report regarding the results of this study to the
37 governor and the fiscal committees of the legislature by December 1,
38 2004.

1 (4)(a) \$75,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for a task force on noneconomic damages.
3 On or before October 31, 2005, the task force shall prepare a study and
4 develop, for consideration by the legislature, a proposed plan for
5 implementation of an advisory schedule of noneconomic damages in
6 actions for injuries resulting from health care under chapter 7.70 RCW.
7 Implementation of any proposed plan is contingent upon statutory
8 authorization by the legislature.

9 (b) The task force shall develop a proposed plan for use of an
10 advisory schedule of noneconomic damages, as defined in RCW 4.56.250,
11 that will increase the predictability and proportionality of
12 settlements and awards for noneconomic damages in actions for injuries
13 resulting from health care. The task force shall consider:

14 (i) The information that can most appropriately be used to provide
15 guidance to the trier of fact regarding noneconomic damage awards,
16 giving consideration to past noneconomic damage awards for similar
17 injuries, considering severity and duration of the injuries, and other
18 factors deemed appropriate by the task force; past noneconomic damage
19 awards for similar claims for damages; and such other information the
20 task force finds appropriate;

21 (ii) The most appropriate format in which to present the
22 information to the trier of fact; and

23 (iii) When and under what circumstances an advisory schedule should
24 be utilized in alternative dispute resolution settings and presented to
25 the trier of fact at trial.

26 (c) A proposed implementation plan shall include, at a minimum:

27 (i) The information developed under subsection (b) of this section;

28 (ii) Identification of statutory, regulatory, or court rule changes
29 necessary to implement the advisory schedule, as well as forms or other
30 documents necessary to implement the schedule; and

31 (iii) Identification of the time required to implement an advisory
32 schedule authorized by the legislature.

33 (d) The task force is composed of fourteen members, as follows:

34 (i) One member from each of the two largest caucuses in the senate, to
35 be appointed by the president of the senate, and one member from each
36 of the two largest caucuses in the house of representatives, to be
37 appointed by the speaker of the house of representatives; (ii) one
38 health care ethicist; (iii) one economist; (iv) one actuary; (v) two

1 attorneys with expertise or significant experience in medical
2 malpractice actions, one representing the plaintiff's bar and one
3 representing the insurance defense bar; (vi) two superior court judges;
4 (vii) one representative of a hospital; (viii) one physician; (ix) one
5 representative of a medical malpractice insurer; and (x) two consumers.
6 The governor shall appoint the nonlegislative members of the task force
7 and select a chair.

8 (e) Legislative members of the task force shall be reimbursed for
9 travel expenses under RCW 44.04.120. Nonlegislative members of the
10 task force shall be reimbursed for travel expenses as provided in RCW
11 43.03.050 and 43.03.060.

12 (f) The office of financial management shall provide support to the
13 task force with the assistance of staff from the administrative office
14 of the courts, the house of representatives office of program research,
15 and senate committee services.

16 (5) \$252,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely for the office to study land use and local
18 government finance and make recommendations on the impact that current
19 trends in city and county revenue sources and expenditures may have on
20 land use decisions made by counties and cities and meeting goals of the
21 growth management act. Among the areas to be studied: Local
22 government revenue sources and expenditures over the past decade; the
23 relationship between local government finances and land use decisions
24 including commercial, residential, and industrial development;
25 cooperation or competition of adjoining jurisdictions over land use and
26 annexation; the relationship new development has to existing commercial
27 and residential areas and its effect on a community's infrastructure
28 and quality of life. The study shall include recommendations for state
29 and local government fiscal partnerships that encourage cooperation
30 among jurisdictions to meet the goals of the growth management act, and
31 how the state and local government fiscal structure can better meet the
32 responsibilities of providing services to citizens and meeting the
33 goals of the growth management act.

34 (6) \$45,000 of the general fund--state appropriation in fiscal year
35 2005 is provided solely for implementation of Substitute House Bill No.
36 1380 or Engrossed Second Substitute Senate Bill No. 5441 (education
37 finance study). If neither bill is enacted by June 30, 2005, the
38 amount provided in this subsection shall lapse.

1 **Sec. 1009.** 2003 1st sp.s. c 25 s 119 (uncodified) is amended to
2 read as follows:

3 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

4	General Fund--State Appropriation (FY 2004)	\$228,000
5	General Fund--State Appropriation (FY 2005)	(\$239,000)
6		<u>\$250,000</u>
7	TOTAL APPROPRIATION	(\$467,000)
8		<u>\$478,000</u>

9 **Sec. 1010.** 2004 c 276 s 120 (uncodified) is amended to read as
10 follows:

11 **FOR THE DEPARTMENT OF PERSONNEL**

12	Department of Personnel Service Account--State	
13	Appropriation	(\$16,247,000)
14		<u>\$18,854,000</u>
15	Higher Education Personnel Services Account--State	
16	Appropriation	\$1,612,000
17	TOTAL APPROPRIATION	(\$17,859,000)
18		<u>\$20,466,000</u>

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

21 (1) The department is authorized to enter into a financing contract
22 for up to \$38,911,000, plus necessary financing expenses and required
23 reserves, pursuant to chapter 39.94 RCW. The contract shall be to
24 purchase, develop, and implement a new statewide payroll system and
25 shall be for a term of not more than twelve years. The legislature
26 recognizes the critical nature of the human resource management system
27 and its relationship to successful implementation of civil service
28 reform, collective bargaining, and the ability to permit contracting
29 out of services to the private sector. Projects of this size and
30 complexity have many risks associated with their successful and timely
31 completion, therefore, to help ensure project success, the department
32 of personnel and the office of financial management shall jointly
33 report to the legislature by January 15, 2004, on progress toward
34 implementing the human resource management system. The report shall
35 include a description of mitigation strategies employed to address the
36 risks related to: Business requirements not fully defined at the
37 project outset; short time frame for system implementation; and delays

1 experienced by other states. The report shall assess the probability
2 of meeting the system implementation schedule and recommend contingency
3 strategies as needed. The report shall establish the timelines, the
4 critical path, and the dependencies for realizing each of the benefits
5 articulated in the system feasibility study.

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

13 **Sec. 1011.** 2004 c 276 s 121 (uncodified) is amended to read as
14 follows:

15 **FOR THE DEPARTMENT OF REVENUE**

16	General Fund--State Appropriation (FY 2004)	\$82,644,000
17	General Fund--State Appropriation (FY 2005)	(\$82,036,000)
18		<u>\$82,606,000</u>
19	Timber Tax Distribution Account--State	
20	Appropriation	\$5,327,000
21	Waste Education/Recycling/Litter Control--State	
22	Appropriation	\$101,000
23	State Toxics Control Account--State	
24	Appropriation	\$67,000
25	Oil Spill Administration Account--State	
26	Appropriation	\$14,000
27	TOTAL APPROPRIATION	(\$170,189,000)
28		<u>\$170,759,000</u>

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

31 (1) \$120,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely to implement Senate Bill No. 5034 (senior
33 citizen property tax exemption). If the bill is not enacted by June
34 30, 2004, the amount provided in this subsection shall lapse.

35 (2) \$136,000 of the timber tax distribution account appropriation
36 is provided solely to implement Engrossed Substitute House Bill No.

1 2693 (taxation of timber). If the bill is not enacted by June 30,
2 2004, the amount provided in this subsection shall lapse.

3 **Sec. 1012.** 2004 c 276 s 123 (uncodified) is amended to read as
4 follows:

5 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

6 OMWBE Enterprises Account--State

7 Appropriation ((~~\$1,990,000~~))
8 \$2,334,000

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

11 (1) The office's revolving fund charges to state agencies may not
12 exceed \$1,534,000.

13 (2) During the 2003-05 biennium, the office may receive gifts,
14 grants, or endowments from public or private sources that are made from
15 time to time, in trust or otherwise, for the use and benefit of the
16 purposes of the office and spend gifts, grants, or endowments or income
17 from the public or private sources according to their terms, unless the
18 receipt of the gifts, grants, or endowments violates RCW 42.17.710.

19 (3) During the 2003-05 biennium, the office may raise fees in
20 excess of the fiscal growth factor.

21 **Sec. 1013.** 2004 c 276 s 124 (uncodified) is amended to read as
22 follows:

23 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

24 General Fund--State Appropriation (FY 2004) \$235,000

25 General Fund--State Appropriation (FY 2005) \$233,000

26 General Fund--Federal Appropriation \$3,865,000

27 General Administration Services Account--State

28 Appropriation ((~~\$38,856,000~~))
29 \$39,310,000

30 TOTAL APPROPRIATION ((~~\$43,189,000~~))
31 \$43,643,000

32 **Sec. 1014.** 2004 c 276 s 126 (uncodified) is amended to read as
33 follows:

34 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

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

1	General Fund--State Appropriation (FY 2005)	((\$1,650,000))
2		<u>\$1,771,000</u>
3	Data Processing Revolving Account--State Appropriation . .	\$3,569,000
4	TOTAL APPROPRIATION	((\$6,219,000))
5		<u>\$6,340,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations: \$1,000,000 of the general fund--state
8 appropriation for fiscal year 2004 and ((~~\$1,650,000~~)) \$1,771,000 of the
9 general fund--state appropriation for fiscal year 2005 are provided
10 solely for the digital learning commons to create a demonstration
11 project, in collaboration with schools, which will provide a web-based
12 portal where students, parents, and teachers from around the state will
13 have access to digital curriculum resources, learning tools, and online
14 classes. The intent is to establish a clearinghouse of high quality
15 online courses and curriculum materials that are aligned with the
16 state's essential learning requirements. The clearinghouse shall be
17 designed for ease of use and shall pool the purchasing power of the
18 state so that these resources and courses are affordable and accessible
19 to schools, teachers, students, and parents. These appropriations are
20 subject to the following conditions and limitations:

21 (1) The funding provided in this section shall be expended
22 primarily for acquiring online courses and curriculum materials that
23 are aligned with the state "essential learning requirements" and that
24 meet standards of quality. No more than ten percent of the funds
25 provided in this subsection shall be used for administrative expenses
26 of the digital learning commons.

27 (2) To the maximum extent possible, funds shall be used on
28 demonstration projects that utilize online course materials and
29 curricula that are already available. The commons may also consider
30 utilizing existing products in establishing the entire digital learning
31 commons.

32 (3) By September 1, 2003, the digital learning commons shall begin
33 offering access to and reimbursement for online courses and services.

34 (4) In consultation with the department of information services,
35 the office of financial management shall monitor compliance with these
36 conditions and limitations. By February 1, 2004, the digital learning
37 commons shall submit a report to the governor and the appropriate

1 legislative committees detailing the types of courses and services
2 offered and the number of students served through the digital learning
3 commons.

4 **Sec. 1015.** 2004 c 276 s 129 (uncodified) is amended to read as
5 follows:

6 **FOR THE LIQUOR CONTROL BOARD**

7	General Fund--State Appropriation (FY 2004)	\$1,454,000
8	General Fund--State Appropriation (FY 2005)	\$1,455,000
9	Liquor Control Board Construction and Maintenance	
10	Account--State Appropriation	(\$5,717,000)
11		<u>\$10,217,000</u>
12	Liquor Revolving Account--State	
13	Appropriation	(\$135,303,000)
14		<u>\$135,635,000</u>
15	TOTAL APPROPRIATION	(\$143,929,000)
16		<u>\$148,761,000</u>

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

19 (1) \$2,000,000 of the liquor revolving account appropriation is
20 provided solely for the costs associated with the merchandising
21 business system, with priority placed on the point-of-sale component of
22 the system. Actual expenditures are limited to the balance of funds
23 remaining from the \$4,803,000 appropriation provided for the
24 merchandise business system in the 2001-03 budget.

25 (2) \$1,309,000 of the liquor revolving account appropriation is
26 provided solely for the costs associated with the merchandising
27 business system solution, with priority placed on the point-of-sale
28 component of the system. These costs include hiring system-related
29 staff and procuring system-related hardware and software.

30 (3) As required under RCW 66.16.010, the liquor control board shall
31 add an equivalent surcharge of \$0.42 per liter on all retail sales of
32 spirits, excluding licensee, military and tribal sales, effective no
33 later than September 1, 2003. The intent of this surcharge is to raise
34 ~~(\$14,000,000 in)~~ additional revenue for the 2003-05 biennium. ~~(To~~
35 ~~the extent that a lesser surcharge is sufficient to raise \$14,000,000,~~
36 ~~the board may reduce the amount of the surcharge. The board shall~~

1 ~~remove the surcharge once it generates \$14,000,000, but no later than~~
2 ~~June 30, 2005.)~~)

3 (4) During the 2003-2005 fiscal biennium, the board may increase
4 the fee for the certificate of approval in excess of the fiscal growth
5 factor under RCW 43.135.055 if the increase is necessary to fully fund
6 the costs of administering the certificate of approval program under
7 Substitute Senate Bill No. 6655, as amended. If the bill is not
8 enacted by June 30, 2004, this subsection is null and void.

9 (5) \$385,000 of the liquor revolving account--state appropriation
10 is provided solely to implement Engrossed Substitute Senate Bill No.
11 6655 (beer/wine manufacturers). If the bill is not enacted by June 30,
12 2004, the amount provided in this subsection shall lapse.

13 (6) \$4,500,000 of the liquor control board construction and
14 maintenance account is provided solely for a three-level pick module,
15 a pick module conveyor, additional deck lanes, associated material
16 handling system equipment, and architectural and engineering/project
17 management consulting fees to increase the liquor distribution center's
18 shipping capacity.

19 **Sec. 1016.** 2004 c 276 s 131 (uncodified) is amended to read as
20 follows:

21 **FOR THE MILITARY DEPARTMENT**

22	General Fund--State Appropriation (FY 2004)	\$8,578,000
23	General Fund--State Appropriation (FY 2005)	((\$8,466,000))
24		<u>\$8,494,000</u>
25	General Fund--Federal Appropriation	((\$143,243,000))
26		<u>\$143,620,000</u>
27	General Fund--Private/Local Appropriation	((\$371,000))
28		<u>\$421,000</u>
29	Enhanced 911 Account--State Appropriation	\$33,955,000
30	Disaster Response Account--State Appropriation	((\$3,387,000))
31		<u>\$2,811,000</u>
32	Disaster Response Account--Federal Appropriation	((\$7,857,000))
33		<u>\$6,256,000</u>
34	Worker and Community Right to Know Fund--State	
35	Appropriation	\$290,000
36	Nisqually Earthquake Account--State	
37	Appropriation	((\$17,869,000))

1		<u>\$11,656,000</u>
2	Nisqually Earthquake Account--Federal	
3	Appropriation	((\$62,103,000))
4		<u>\$35,637,000</u>
5	TOTAL APPROPRIATION	((\$286,119,000))
6		<u>\$251,718,000</u>

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

9 (1) \$190,000 of the disaster response account--state appropriation
10 is provided solely to develop and implement a disaster grant management
11 system. The military department shall also submit a report quarterly
12 to the office of financial management and the legislative fiscal
13 committees detailing information on the disaster response account,
14 including: (a) The amount and type of deposits into the account; (b)
15 the current available fund balance as of the reporting date; and (c)
16 the projected fund balance at the end of the 2003-05 biennium based on
17 current revenue and expenditure patterns.

18 (2) ((~~\$14,869,000~~)) \$8,656,000 of the Nisqually earthquake
19 account--state appropriation and ((~~\$62,103,000~~)) \$35,637,000 of the
20 Nisqually earthquake account--federal appropriation are provided solely
21 for response and recovery costs associated with the February 28, 2001,
22 earthquake. The military department shall submit a report quarterly to
23 the office of financial management and the legislative fiscal
24 committees detailing earthquake recovery costs, including: (a)
25 Estimates of total costs; (b) incremental changes from the previous
26 estimate; (c) actual expenditures; (d) estimates of total remaining
27 costs to be paid; and (e) estimates of future payments by biennium.
28 This information shall be displayed by fund, by type of assistance, and
29 by amount paid on behalf of state agencies or local organizations. The
30 military department shall also submit a report quarterly to the office
31 of financial management and the legislative fiscal committees detailing
32 information on the Nisqually earthquake account, including: (a) The
33 amount and type of deposits into the account; (b) the current available
34 fund balance as of the reporting date; and (c) the projected fund
35 balance at the end of the 2003-05 biennium based on current revenue and
36 expenditure patterns.

37 (3) \$3,000,000 of the Nisqually earthquake account--state
38 appropriation is provided solely to cover other response and recovery

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

10 (4) \$200,000 of the general fund--state appropriation for fiscal
11 year 2004, \$200,000 of the general fund--state appropriation for fiscal
12 year 2005, and \$105,952,000 of the general fund--federal appropriation
13 are provided solely for homeland security, to be distributed as
14 follows:

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

19 (b) \$200,000 of the general fund--state appropriation for fiscal
20 year 2004, \$200,000 of the general fund--state appropriation for fiscal
21 year 2005, and \$2,713,000 of the general fund--federal appropriation to
22 the department to conduct the terrorism consequence management program;

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

25 (d) \$674,000 of the general fund--federal appropriation to the
26 office of financial management for the citizen corps and the community
27 emergency response teams;

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

33 (f) \$89,677,000 of the general fund--federal appropriation for
34 other anticipated homeland security needs. This amount shall not be
35 allotted until a spending plan is approved by the governor's domestic
36 security advisory group and the office of financial management;

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

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

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

15 **Sec. 1017.** 2004 c 276 s 132 (uncodified) is amended to read as
16 follows:

17 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

18	General Fund--State Appropriation (FY 2004)	\$2,362,000
19	General Fund--State Appropriation (FY 2005)	((\$2,437,000))
20		<u>\$2,396,000</u>
21	Department of Personnel Service Account--State	
22	Appropriation	\$2,542,000
23	TOTAL APPROPRIATION	((\$7,341,000))
24		<u>\$7,300,000</u>

25 ~~((The appropriations in this section are subject to the following
26 conditions and limitations: \$41,000 of the general fund state
27 appropriation for fiscal year 2005 is provided solely for the
28 implementation of Second Substitute House Bill No. 2295 or Second
29 Engrossed Substitute Senate Bill No. 5012 (charter schools). If
30 neither bill is enacted by June 30, 2004, the amount provided in this
31 subsection shall lapse.))~~

32 **Sec. 1018.** 2003 1st sp.s. c 25 s 152 (uncodified) is amended to
33 read as follows:

34 **FOR THE GROWTH PLANNING HEARINGS BOARD**

35	General Fund--State Appropriation (FY 2004)	\$1,536,000
36	General Fund--State Appropriation (FY 2005)	((\$1,467,000))

1		<u>\$1,522,000</u>
2	TOTAL APPROPRIATION	((\$3,003,000))
3		<u>\$3,058,000</u>

(End of part)

1 transfer general fund--state appropriations for fiscal year 2005 in
2 this act and in chapter 278, Laws of 2004 among programs after approval
3 by the director of financial management. However, the department shall
4 not transfer state moneys that are provided solely for a specified
5 purpose except as expressly provided in subsection (3)(b) of this
6 section.

7 (b) To the extent that transfers under subsection (3)(a) of this
8 section are insufficient to fund actual expenditures in excess of
9 fiscal year 2004 and fiscal year 2005 caseload forecasts and
10 utilization assumptions in the medical assistance, long-term care,
11 foster care, adoption support, and child support programs, the
12 department may transfer state moneys that are provided solely for a
13 specified purpose after approval by the director of financial
14 management.

15 (c) 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 allotment
18 modifications or transfers under this subsection.

19 (4) After consultation and coordination with local elected
20 officials and community groups to assure there will be no degradation
21 in existing services as a result of implementing the Washington
22 medicaid integration project, the department shall report its progress
23 to the appropriate committees of the legislature during the 2004
24 September committee assembly days and is authorized to develop an
25 integrated health care program designed to slow the progression of
26 illness and disability and better manage Medicaid expenditures for the
27 aged and disabled population. Under this Washington medicaid
28 integration partnership (WMIP) the department may combine and transfer
29 such Medicaid funds appropriated under sections 204, 206, 208, and 209
30 of this act as may be necessary to finance a unified health care plan
31 for the WMIP program enrollment. The WMIP pilot projects shall not
32 exceed a daily enrollment of 6,000 persons during the 2003-05 biennium.
33 The amount of funding assigned to the pilot projects from each program
34 may not exceed the average per capita cost assumed in this act for
35 individuals covered by that program, actuarially adjusted for the
36 health condition of persons enrolled in the pilot, times the number of
37 clients enrolled in the pilot. In implementing the WMIP pilot
38 projects, the department may: (a) Withhold from calculations of

1 "available resources" as set forth in RCW 71.24.025 a sum equal to the
2 capitated rate for individuals enrolled in the pilots; and (b) employ
3 capitation financing and risk-sharing arrangements in collaboration
4 with health care service contractors licensed by the office of the
5 insurance commissioner and qualified to participate in both the
6 medicaid and medicare programs. The department shall conduct an
7 evaluation of the WMIP, measuring changes in participant health
8 outcomes, changes in patterns of service utilization, participant
9 satisfaction, participant access to services, and the state fiscal
10 impact.

11 **Sec. 1102.** 2004 c 276 s 202 (uncodified) is amended to read as
12 follows:

13 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**
14 **SERVICES PROGRAM**

15	General Fund--State Appropriation (FY 2004)	\$219,291,000
16	General Fund--State Appropriation (FY 2005)	(\$229,924,000)
17		<u>\$230,779,000</u>
18	General Fund--Federal Appropriation	(\$422,870,000)
19		<u>\$424,700,000</u>
20	General Fund--Private/Local Appropriation	\$400,000
21	Public Safety and Education Account--	
22	State Appropriation	\$21,488,000
23	Violence Reduction and Drug Enforcement Account--	
24	State Appropriation	\$1,488,000
25	TOTAL APPROPRIATION	(\$895,461,000)
26		<u>\$898,146,000</u>

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

29 (1) \$2,271,000 of the fiscal year 2004 general fund--state
30 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
31 appropriation, and \$1,584,000 of the general fund--federal
32 appropriation are provided solely for the category of services titled
33 "intensive family preservation services."

34 (2) \$701,000 of the general fund--state fiscal year 2004
35 appropriation and \$701,000 of the general fund--state fiscal year 2005
36 appropriation are provided to contract for the operation of one
37 pediatric interim care facility. The facility shall provide

1 residential care for up to thirteen children through two years of age.
2 Seventy-five percent of the children served by the facility must be in
3 need of special care as a result of substance abuse by their mothers.
4 The facility shall also provide on-site training to biological,
5 adoptive, or foster parents. The facility shall provide at least three
6 months of consultation and support to parents accepting placement of
7 children from the facility. The facility may recruit new and current
8 foster and adoptive parents for infants served by the facility. The
9 department shall not require case management as a condition of the
10 contract.

11 (3) \$375,000 of the general fund--state fiscal year 2004
12 appropriation, \$375,000 of the general fund--state fiscal year 2005
13 appropriation, and \$322,000 of the general fund--federal appropriation
14 are provided for up to three nonfacility-based programs for the
15 training, consultation, support, and recruitment of biological, foster,
16 and adoptive parents of children through age three in need of special
17 care as a result of substance abuse by their mothers, except that each
18 program may serve up to three medically fragile nonsubstance-abuse-
19 affected children. In selecting nonfacility-based programs, preference
20 shall be given to programs whose federal or private funding sources
21 have expired or that have successfully performed under the existing
22 pediatric interim care program.

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

26 (5) \$125,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$125,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for a foster parent retention
29 program. This program is directed at foster parents caring for
30 children who act out sexually.

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

1 (7) \$50,000 of the fiscal year 2004 general fund--state
2 appropriation and \$50,000 of the fiscal year 2005 general fund--state
3 appropriation are provided solely for a street youth program in
4 Spokane.

5 (8) \$2,000,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely to increase shelter and other services for
7 victims of domestic violence, including \$65,000 for domestic violence
8 shelter operating costs in Shelton.

9 (9) \$1,773,000 of the general fund--state appropriation for fiscal
10 year 2005 and \$531,000 of the general fund--federal appropriation are
11 provided solely to implement Engrossed Substitute Senate Bill No. 6642
12 (case conferences), CAMIS user interface improvements, and family team
13 decision meetings, as part of the department's program improvement plan
14 implementation.

15 (10) The department shall convene regional and local department
16 staff and community-based agency staff to develop recommended policies
17 and protocols concerning collaborative decision making, including
18 contracting, referrals, and resource allocation. The department shall
19 submit these recommendations to the governor and the appropriate
20 committees of the legislature by December 1, 2004.

21 **Sec. 1103.** 2004 c 276 s 203 (uncodified) is amended to read as
22 follows:

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
24 **REHABILITATION PROGRAM**

25	General Fund--State Appropriation (FY 2004)	\$72,362,000
26	General Fund--State Appropriation (FY 2005)	(\$72,697,000)
27		<u>\$73,253,000</u>
28	General Fund--Federal Appropriation	(\$6,260,000)
29		<u>\$6,160,000</u>
30	General Fund--Private/Local Appropriation	\$1,098,000
31	Juvenile Accountability Incentive	
32	Account--Federal Appropriation	\$7,300,000
33	Violence Reduction and Drug Enforcement Account--	
34	State Appropriation	\$37,699,000
35	TOTAL APPROPRIATION	(\$195,284,000)
36		<u>\$197,872,000</u>

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

3 (1) \$695,000 of the violence reduction and drug enforcement account
4 appropriation is provided solely for deposit in the county criminal
5 justice assistance account for costs to the criminal justice system
6 associated with the implementation of chapter 338, Laws of 1997
7 (juvenile code revisions). The amounts provided in this subsection are
8 intended to provide funding for county adult court costs associated
9 with the implementation of chapter 338, Laws of 1997 and shall be
10 distributed in accordance with RCW 82.14.310.

11 (2) \$6,065,000 of the violence reduction and drug enforcement
12 account appropriation is provided solely for the implementation of
13 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
14 provided in this subsection are intended to provide funding for county
15 impacts associated with the implementation of chapter 338, Laws of 1997
16 and shall be distributed to counties as prescribed in the current
17 consolidated juvenile services (CJS) formula.

18 (3) \$1,204,000 of the general fund--state appropriation for fiscal
19 year 2004, \$1,204,000 of the general fund--state appropriation for
20 fiscal year 2005, and \$5,262,000 of the violence reduction and drug
21 enforcement account appropriation are provided solely to implement
22 community juvenile accountability grants pursuant to chapter 338, Laws
23 of 1997 (juvenile code revisions). Funds provided in this subsection
24 may be used solely for community juvenile accountability grants,
25 administration of the grants, and evaluations of programs funded by the
26 grants.

27 (4) \$2,544,000 of the violence reduction and drug enforcement
28 account appropriation is provided solely to implement alcohol and
29 substance abuse treatment programs for locally committed offenders.
30 The juvenile rehabilitation administration shall award these moneys on
31 a competitive basis to counties that submitted a plan for the provision
32 of services approved by the division of alcohol and substance abuse.
33 The juvenile rehabilitation administration shall develop criteria for
34 evaluation of plans submitted and a timeline for awarding funding and
35 shall assist counties in creating and submitting plans for evaluation.

36 (5) \$16,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$16,000 of the general fund--state appropriation for
38 fiscal year 2005 are provided solely for the implementation of chapter

1 167, Laws of 1999 (firearms on school property). The amounts provided
2 in this subsection are intended to provide funding for county impacts
3 associated with the implementation of chapter 167, Laws of 1999, and
4 shall be distributed to counties as prescribed in the current
5 consolidated juvenile services (CJS) formula.

6 (6) \$16,000 of the violence reduction and drug enforcement account
7 appropriation is provided solely for the evaluation of the juvenile
8 offender co-occurring disorder pilot program.

9 (7) For the purposes of a pilot project recommended by the family
10 policy council, the juvenile rehabilitation administration shall
11 provide a block grant, rather than categorical funding, for
12 consolidated juvenile services, community juvenile accountability act
13 grants, the chemically dependent disposition alternative, and the
14 special sex offender disposition alternative to the Pierce county
15 juvenile court. To evaluate the effect of decategorizing funding for
16 youth services, the juvenile court shall do the following:

17 (a) Develop intermediate client outcomes according to the risk
18 assessment tool (RAT) currently used by juvenile courts and in
19 coordination with the juvenile rehabilitation administration and the
20 family policy council;

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

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

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

30 (e) Provide an initial process evaluation to the juvenile
31 rehabilitation administration and the family policy council by January
32 30, 2004, and an intermediate evaluation by December 31, 2004. The
33 court shall develop this evaluation in consultation with the juvenile
34 rehabilitation administration, the family policy council, and the
35 Washington state institute for public policy.

36 (8) \$158,000 of the general fund--state appropriation for fiscal
37 year 2004 and (~~(\$580,000)~~) \$211,000 of the general fund--state
38 appropriation for fiscal year 2005 are provided solely to reimburse

1 counties for local juvenile disposition alternatives implemented
 2 pursuant to Senate Bill No. 5903 (juvenile offender sentencing). The
 3 juvenile rehabilitation administration, in consultation with the
 4 juvenile court administrators, shall develop an equitable distribution
 5 formula for the funding provided in this subsection. The juvenile
 6 rehabilitation administration may adjust this funding level in the
 7 event that utilization rates of the disposition alternatives are lower
 8 than the level anticipated by the total appropriations to the juvenile
 9 rehabilitation administration in this section. If the bill is not
 10 enacted by June 30, 2003, the amounts provided in this subsection shall
 11 lapse.

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

23 **Sec. 1104.** 2004 c 276 s 204 (uncodified) is amended to read as
 24 follows:

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
 26 **PROGRAM**

27 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

28	General Fund--State Appropriation (FY 2004)	\$200,251,000
29	General Fund--State Appropriation (FY 2005)	((\$214,010,000))
30		<u>\$208,328,000</u>
31	General Fund--Federal Appropriation	((\$405,549,000))
32		<u>\$399,700,000</u>
33	General Fund--Local Appropriation	\$1,970,000
34	TOTAL APPROPRIATION	((\$821,780,000))
35		<u>\$810,249,000</u>

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

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

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

11 (c) \$4,222,000 of the general fund--state appropriation for fiscal
12 year 2004, \$4,222,000 of the general fund--state appropriation for
13 fiscal year 2005, and \$8,444,000 of the general fund--federal
14 appropriation are provided solely for the continued operation of
15 community residential and support services for persons whose treatment
16 needs constitute substantial barriers to community placement and who no
17 longer require active psychiatric treatment at an inpatient hospital
18 level of care, no longer meet the criteria for inpatient involuntary
19 commitment, and have been discharged from a state psychiatric hospital.
20 Primary responsibility and accountability for provision of appropriate
21 community support for persons placed with these funds shall reside with
22 the mental health program and the regional support networks, with
23 partnership and active support from the alcohol and substance abuse
24 division and from the aging and disability services administration.
25 The department shall continue performance-based incentive contracts to
26 provide appropriate community support services for individuals leaving
27 the state hospitals under this subsection. The department shall first
28 seek to contract with regional support networks before offering a
29 contract to any other party. The funds appropriated in this subsection
30 shall not be considered "available resources" as defined in RCW
31 71.24.025 and are not subject to the standard allocation formula
32 applied in accordance with RCW 71.24.035(13)(a).

33 (d) At least \$902,000 of the federal block grant funding
34 appropriated in this subsection shall be used for the continued
35 operation of the mentally ill offender pilot program.

36 (e) Within funds appropriated in this subsection, the department
37 shall contract with the Clark county regional support network for
38 development and operation of a project demonstrating collaborative

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

17 (f) The department shall assure that each regional support network
 18 increases spending on direct client services in fiscal years 2004 and
 19 2005 by at least the same percentage as the total state, federal, and
 20 local funds allocated to the regional support network in those years
 21 exceed the amounts allocated to it in fiscal year 2003.

22 (2) INSTITUTIONAL SERVICES

23	General Fund--State Appropriation (FY 2004)	\$86,607,000
24	General Fund--State Appropriation (FY 2005)	(\$87,592,000)
25		<u>\$89,683,000</u>
26	General Fund--Federal Appropriation	(\$146,945,000)
27		<u>\$146,844,000</u>
28	General Fund--Private/Local Appropriation	(\$29,063,000)
29		<u>\$28,743,000</u>
30	TOTAL APPROPRIATION	(\$350,207,000)
31		<u>\$351,877,000</u>

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

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

37 (b) The mental health program at Western state hospital shall

1 continue to use labor provided by the Tacoma prerelease program of the
2 department of corrections.

3 (c) \$124,000 of the general fund--state appropriation for fiscal
4 year 2005, \$19,000 of the general fund--private/local appropriation,
5 and \$17,000 of the general fund--federal appropriation are provided
6 solely for implementation of Senate Bill No. 6358 (treatment orders).
7 If Senate Bill No. 6358 is not enacted by June 30, 2004, the amount
8 provided in this subsection shall lapse.

9 (3) CIVIL COMMITMENT

10	General Fund--State Appropriation (FY 2004)	\$29,194,000
11	General Fund--State Appropriation (FY 2005)	(\$34,400,000)
12		<u>\$38,295,000</u>
13	TOTAL APPROPRIATION	(\$63,594,000)
14		<u>\$67,489,000</u>

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

17 (a) \$300,000 of the general fund--state appropriation for fiscal
18 year 2004 and ~~(\$300,000)~~ \$229,000 of the general fund--state
19 appropriation for fiscal year 2005 are provided solely for public
20 safety mitigation funding for jurisdictions affected by the placement
21 of the secure community transition facility on McNeil Island. Of this
22 amount, \$45,000 per year shall be provided to the city of Lakewood on
23 September 1, 2003, and September 1, 2004, for police protection
24 services provided by the city at Western State Hospital and adjacent
25 areas. Of the remaining ~~(\$255,000 per year)~~ amounts, the department
26 shall reimburse the affected jurisdictions for their documented costs
27 that have been negotiated in an interagency agreement between the
28 department and each jurisdiction, as follows:

29 (i) Up to \$125,000 per year shall be provided to Pierce county for
30 its additional public safety costs as defined in RCW 71.09.344(2).

31 (ii) Up to \$45,000 per year shall be provided to affected
32 jurisdictions other than Pierce county for the costs of training their
33 law enforcement and administrative personnel as defined in RCW
34 71.09.344(2)(a).

35 (iii) The remaining amounts are for affected jurisdictions other
36 than Pierce county for reimbursement of their documented public safety
37 costs as defined in RCW 71.09.344(2) (b), (c), and (d).

1 (b) \$4,000 of the general fund--state appropriation for fiscal year
 2 2004 and \$354,000 of the general fund--state appropriation for fiscal
 3 year 2005 are provided solely for mitigation costs associated with the
 4 development and occupancy of the secure community transition facility
 5 in Seattle, as described in the settlement agreement dated February 3,
 6 2004, between the department and the city of Seattle. If *City of*
 7 *Seattle v. DSHS*, King County Superior Court Cause No. 03-2-37882-SEA is
 8 not dismissed with prejudice by July 1, 2004, this appropriation shall
 9 lapse. If the proceeding requested by the city under RCW 71.09.342(5)
 10 is not withdrawn or dismissed with prejudice by July 1, 2004, this
 11 appropriation shall lapse.

12 (c) \$1,212,000 of the general fund--state appropriation for fiscal
 13 year 2004 and \$1,260,000 of the general fund--state appropriation for
 14 fiscal year 2005 are provided solely for legal fees charged to the
 15 special commitment program, including increased hourly rates.

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

18 (5) PROGRAM SUPPORT
 19 General Fund--State Appropriation (FY 2004) \$3,124,000
 20 General Fund--State Appropriation (FY 2005) ((~~\$3,208,000~~))
 21 \$3,334,000
 22 General Fund--Federal Appropriation ((~~\$5,918,000~~))
 23 \$6,026,000
 24 TOTAL APPROPRIATION ((~~\$12,250,000~~))
 25 \$12,484,000

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

28 (a) \$113,000 of the general fund--state appropriation for fiscal
 29 year 2004, \$125,000 of the general fund--state appropriation for fiscal
 30 year 2005, and \$164,000 of the general fund--federal appropriation are
 31 provided solely for the institute for public policy to evaluate the
 32 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
 33 297, Laws of 1998 (commitment of mentally ill persons), and chapter
 34 334, Laws of 2001 (mental health performance audit).

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

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

10 (c) \$53,000 of the general fund--state appropriation and \$47,000 of
 11 the general fund--federal appropriation for fiscal year 2005 are
 12 provided solely for development of a plan for maintaining and
 13 increasing the number of beds available for treatment of persons
 14 experiencing acute psychiatric emergencies. The plan is to provide an
 15 estimate of the number of state hospital and community acute care beds
 16 needed in different areas of the state, and to estimate the
 17 construction and operating cost of meeting that need under alternative
 18 operating arrangements.

19 **Sec. 1105.** 2004 c 276 s 205 (uncodified) is amended to read as
 20 follows:

21 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
 22 **DISABILITIES PROGRAM**

23 (1) COMMUNITY SERVICES

24	General Fund--State Appropriation (FY 2004)	\$250,633,000
25	General Fund--State Appropriation (FY 2005)	((\$274,414,000))
26		<u>\$272,837,000</u>
27	General Fund--Federal Appropriation	((\$453,434,000))
28		<u>\$450,747,000</u>
29	Health Services Account--State	
30	Appropriation	\$971,000
31	TOTAL APPROPRIATION	((\$979,452,000))
32		<u>\$975,188,000</u>

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

35 (a) Any new funding for family support and high school transition
 36 along with a portion of existing funding for these programs shall be
 37 provided as supplemental security income (SSI) state supplemental

1 payments for persons with developmental disabilities in families with
2 taxable incomes at or below 150 percent of median family income.
3 Individuals receiving family support or high school transition payments
4 shall not become eligible for medical assistance under RCW 74.09.510
5 due solely to the receipt of SSI state supplemental payments.

6 (b) The health services account appropriation and \$971,000 of the
7 general fund--federal appropriation are provided solely for health care
8 benefits for home care workers with family incomes below 200 percent of
9 the federal poverty level who are employed through state contracts for
10 twenty hours per week or more.

11 (i) Premium payments for individual provider home care workers
12 shall be made only to the subsidized basic health plan.

13 (ii) Home care agencies may obtain coverage either through the
14 basic health plan or through an alternative plan with substantially
15 equivalent benefits. Premium payments made to home care agencies shall
16 be limited to home care workers who are employed at least twenty hours
17 per week to serve state-funded clients. It is the intent of the
18 legislature to fund the purchase of health care benefits for agency
19 home care providers in a more fiscally prudent manner. The legislature
20 encourages agency providers to purchase more cost-effective health care
21 benefits, including increasing participation in the basic health plan
22 or purchasing substantially equivalent benefits with substantially
23 equivalent costs.

24 (c) \$562,000 of the general fund--state appropriation for fiscal
25 year 2004, \$1,767,000 of the general fund--state appropriation for
26 fiscal year 2005, and \$2,266,000 of the general fund--federal
27 appropriation are provided solely for community residential and support
28 services. Funding in this subsection shall be prioritized for (i)
29 residents of residential habilitation centers who are able to be
30 adequately cared for in community settings and who choose to live in
31 those community settings; (ii) clients without residential services who
32 are at immediate risk of institutionalization or in crisis; (iii)
33 children who are aging out of other state services; and (iv) current
34 home and community-based waiver program clients who have been assessed
35 as having an immediate need for increased services. The department
36 shall ensure that the average cost per day for all program services
37 other than start-up costs shall not exceed \$300. In order to maximize
38 the number of clients served and ensure the cost-effectiveness of the

1 waiver programs, the department will strive to limit new client
2 placement expenditures to 90 percent of the budgeted daily rate. If
3 this can be accomplished, additional clients may be served with excess
4 funds provided the total projected carry-forward expenditures do not
5 exceed the amounts estimated. The department shall implement the four
6 new waiver programs such that decisions about enrollment levels and the
7 amount, duration, and scope of services maintain expenditures within
8 appropriations. The department shall electronically report to the
9 appropriate committees of the legislature, within 45 days following
10 each fiscal year quarter, the number of residents moving into community
11 settings and the actual expenditures for all community services to
12 support those residents.

13 (d) \$563,000 of the general fund--state appropriation for fiscal
14 year 2004, \$1,390,000 of the general fund--state appropriation for
15 fiscal year 2005, and \$1,905,000 of the general fund--federal
16 appropriation are provided solely for expanded community services for
17 persons with developmental disabilities who also have community
18 protection issues. Funding in this subsection shall be prioritized for
19 (i) clients being diverted or discharged from the state psychiatric
20 hospitals; (ii) clients participating in the dangerous mentally ill
21 offender program; (iii) clients participating in the community
22 protection program; and (iv) mental health crisis diversion
23 outplacements. The department shall ensure that the average cost per
24 day for all program services other than start-up costs shall not exceed
25 \$300. In order to maximize the number of clients served and ensure the
26 cost-effectiveness of the waiver programs, the department will strive
27 to limit new client placement expenditures to 90 percent of the
28 budgeted daily rate. If this can be accomplished, additional clients
29 may be served with excess funds provided the total projected carry-
30 forward expenditures do not exceed the amounts estimated. The
31 department shall implement the four new waiver programs such that
32 decisions about enrollment levels and the amount, duration, and scope
33 of services maintain expenditures within appropriations. The
34 department shall electronically report to the appropriate committees of
35 the legislature, within 45 days following each fiscal year quarter, the
36 number of persons served with these additional community services,
37 where they were residing, what kinds of services they were receiving

1 prior to placement, and the actual expenditures for all community
2 services to support these clients.

3 (e) The department shall provide a status report on the transition,
4 implementation, and operation of the four home and community-based
5 waivers that will replace the community alternatives program waiver.
6 The department shall electronically report to the appropriate
7 committees of the legislature, within 45 days following each fiscal
8 year quarter for the quarters through December 2004, the following
9 information for each home and community-based waiver: Total projected
10 state and federal fiscal year expenditures, year-to-date actual
11 expenditures compared to projected expenditures, year-to-date
12 unduplicated clients compared to projected clients, actual average per
13 capita costs compared to projected per capita costs, number of
14 transfers between waivers, amount of emergency funds spent to date
15 compared to projected emergency costs, state and federal funds
16 transferred from the medicaid personal care program to the four home
17 and community-based waiver programs, and the year-to-date number of new
18 clients added to a waiver program.

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

23 (g) \$3,202,000 of the general fund--state appropriation for fiscal
24 year 2004, \$4,472,000 of the general fund--state appropriation for
25 fiscal year 2005, and \$7,633,000 of the general fund--federal
26 appropriation are provided solely for the purpose of providing a wage
27 increase effective October 1, 2003, for individual home care workers
28 providing state-funded services. The amounts in this subsection also
29 include the funds needed for the employer share of unemployment and
30 social security taxes on the amount of the increase.

31 (h) \$213,000 of the general fund--state appropriation for fiscal
32 year 2004, \$289,000 of the general fund--state appropriation for fiscal
33 year 2005, and \$500,000 of the general fund--federal appropriation are
34 provided solely to increase payments to agency home care providers from
35 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
36 amounts in this subsection shall be used to increase compensation for
37 direct care workers by 75 cents per hour. The amounts in this

1 subsection also include the funds needed for the employer share of
2 unemployment and social security taxes on the amount of the increase.

3 (i) \$1,000,000 of the general fund--state appropriation for fiscal
4 year 2005 and \$300,000 of the general fund--federal appropriation are
5 provided solely for employment and day services. Priority
6 consideration for this new funding shall be young adults with
7 developmental disabilities living with their family who need employment
8 opportunities and assistance after high school graduation. Services
9 shall be provided proportionately between waiver and nonwaiver clients.
10 Federal funds may be used to enhance this funding only to the extent
11 that a client is already on a home and community-based waiver. This
12 funding shall not be used to add new clients to a home and community-
13 based waiver.

14 (j) (~~(\$312,000)~~) \$347,000 of the general fund--state appropriation
15 for fiscal year 2005 and (~~(\$290,000)~~) \$322,000 of the general fund--
16 federal appropriation are provided solely to increase payments to
17 agency home care providers from \$14.27 per hour to \$14.93 per hour,
18 effective October 1, 2004. The amounts in this subsection shall be
19 used to increase compensation for direct care workers by 50 cents per
20 hour. The amounts in this subsection also include the funds needed for
21 the employer share of unemployment and social security taxes on the
22 amount of the increase.

23 (2) INSTITUTIONAL SERVICES

24	General Fund--State Appropriation (FY 2004)	\$67,708,000
25	General Fund--State Appropriation (FY 2005)	\$70,794,000
26	General Fund--Federal Appropriation	\$148,998,000
27	General Fund--Private/Local Appropriation	\$11,228,000
28	TOTAL APPROPRIATION	\$298,728,000

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

35 (3) PROGRAM SUPPORT

36	General Fund--State Appropriation (FY 2004)	\$2,474,000
37	General Fund--State Appropriation (FY 2005)	\$3,208,000

1 General Fund--Federal Appropriation \$4,209,000
 2 Telecommunications Devices for the Hearing and
 3 Speech Impaired Account Appropriation \$891,000
 4 TOTAL APPROPRIATION \$10,782,000

5 The appropriation in this subsection is subject to the following
 6 conditions and limitations: \$245,000 of the general fund--state
 7 appropriation for fiscal year 2004, \$996,000 of the general fund--state
 8 appropriation for fiscal year 2005, and \$1,258,000 of the general
 9 fund--federal appropriation are provided solely for the purpose of
 10 developing and implementing a consistent needs assessment instrument
 11 for use on all clients with developmental disabilities. In developing
 12 the instrument, the department shall develop a process for collecting
 13 data on family income for minor children with developmental
 14 disabilities who are clients of the department and shall ensure that
 15 this information is captured as part of the client assessment process.

16 (4) SPECIAL PROJECTS

17 General Fund--Federal Appropriation \$13,604,000

18 **Sec. 1106.** 2004 c 276 s 206 (uncodified) is amended to read as
 19 follows:

20 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
 21 **SERVICES PROGRAM**

22 General Fund--State Appropriation (FY 2004) \$523,896,000
 23 General Fund--State Appropriation (FY 2005) (~~(\$578,270,000)~~)
 24 \$561,504,000
 25 General Fund--Federal Appropriation (~~(\$1,187,250,000)~~)
 26 \$1,173,125,000
 27 General Fund--Private/Local Appropriation \$18,644,000
 28 Health Services Account--State
 29 Appropriation \$4,888,000
 30 TOTAL APPROPRIATION (~~(\$2,312,948,000)~~)
 31 \$2,282,057,000

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

34 (1) The entire health services account appropriation, \$1,476,000 of
 35 the general fund--state appropriation for fiscal year 2004,
 36 (~~(\$1,043,000)~~) \$3,838,000 of the general fund--state appropriation for

1 fiscal year 2005, and (~~(\$6,851,000)~~) \$9,924,000 of the general fund--
2 federal appropriation are provided solely for health care benefits for
3 home care workers who are employed through state contracts for at least
4 twenty hours per week.

5 (a) Premium payments for individual provider home care workers
6 shall be made only to the subsidized basic health plan, and only for
7 persons with incomes below 200 percent of the federal poverty level.

8 (b) Home care agencies may obtain coverage either through the basic
9 health plan or through an alternative plan with substantially
10 equivalent benefits. Premium payments made to home care agencies shall
11 be limited to home care workers who are employed at least twenty hours
12 per week to serve state-funded clients. It is the intent of the
13 legislature to fund the purchase of health care benefits for agency
14 home care providers in a more fiscally prudent manner. The legislature
15 encourages agency providers to purchase more cost-effective health care
16 benefits, including increasing participation in the basic health plan
17 or purchasing substantially equivalent benefits with substantially
18 equivalent costs.

19 (2) \$1,768,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$1,768,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for operation of the volunteer
22 chore services program.

23 (3) For purposes of implementing chapter 74.46 RCW, the weighted
24 average nursing facility payment rate shall be no more than \$142.04 for
25 fiscal year 2004, and no more than (~~(\$148.11)~~) \$145.81 for fiscal year
26 2005. For all facilities, the direct care, therapy care, support
27 services, and operations component rates established in accordance with
28 chapter 74.46 RCW shall be adjusted for economic trends and conditions
29 by 3.0 percent effective July 1, 2003, and by an additional 2.4 percent
30 effective July 1, 2004.

31 (4) In accordance with chapter 74.46 RCW, the department shall
32 issue certificates of capital authorization that result in up to \$32
33 million of increased asset value completed and ready for occupancy in
34 fiscal year 2004; up to \$32 million of increased asset value completed
35 and ready for occupancy in fiscal year 2005; and up to \$32 million of
36 increased asset value completed and ready for occupancy in fiscal year
37 2006.

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

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

8 (a) One waiver program shall include coverage of care in community
9 residential facilities. Enrollment in the waiver shall not exceed 600
10 persons at any time.

11 (b) The second waiver program shall include coverage of in-home
12 care. Enrollment in this second waiver shall not exceed 200 persons at
13 any time.

14 (c) The department shall identify the number of medically needy
15 nursing home residents, and enrollment and expenditures on each of the
16 two medically needy waivers, on monthly management reports.

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

22 (e) If it is necessary to establish a waiting list for either
23 waiver because the budgeted number of enrollment opportunities has been
24 reached, the department shall track how the long-term care needs of
25 applicants assigned to the waiting list are met.

26 (7) \$118,000 of the general fund--state appropriation for fiscal
27 year 2004, \$118,000 of the general fund--state appropriation for fiscal
28 year 2005, and \$236,000 of the general fund--federal appropriation are
29 provided solely for the department to assess at least annually each
30 elderly resident residing in residential habilitation centers and
31 state-operated living alternatives to determine if the resident can be
32 more appropriately served in a less restrictive setting.

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

37 (b) In assessing an elderly resident under this section and to

1 ensure appropriate placement, the department shall identify the special
2 needs of the resident, the types of services that will best meet those
3 needs, and the type of facility that will best provide those services.

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

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

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

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

16 (9) The department shall establish waiting lists to the extent
17 necessary to assure that annual expenditures on the community options
18 program entry systems (COPES) program do not exceed appropriated
19 levels. In establishing and managing any such waiting list, the
20 department shall assure priority access to persons with the greatest
21 unmet needs, as determined by department assessment processes.

22 (10) \$6,418,000 of the general fund--state appropriation for fiscal
23 year 2004, \$8,620,000 of the general fund--state appropriation for
24 fiscal year 2005, and \$15,038,000 of the general fund--federal
25 appropriation are provided solely for the purpose of providing a wage
26 increase effective October 1, 2003, for individual home care workers
27 providing state-funded services. The amounts in this subsection also
28 include the funds needed for the employer share of unemployment and
29 social security taxes on the amount of the increase.

30 (11) \$2,294,000 of the general fund--state appropriation for fiscal
31 year 2004, \$3,266,000 of the general fund--state appropriation for
32 fiscal year 2005, and \$5,560,000 of the general fund--federal
33 appropriation are provided solely to increase payments to agency home
34 care providers from \$13.44 per hour to \$14.27 per hour effective
35 October 1, 2003. The amounts in this subsection shall be used to
36 increase compensation for direct care workers by 75 cents per hour.
37 The amounts in this subsection also include the funds needed for the

1 employer share of unemployment and social security taxes on the amount
2 of the increase.

3 (12) (~~(\$1,952,000)~~) \$2,114,000 of the general fund--state
4 appropriation for fiscal year 2005 and (~~(\$1,941,000)~~) \$2,103,000 of the
5 general fund--federal appropriation are provided solely to increase
6 payments to agency home care providers from \$14.27 per hour to \$14.93
7 per hour, effective October 1, 2004. The amounts in this subsection
8 shall be used to increase compensation for direct care workers by 50
9 cents per hour. The amounts in this subsection also include the funds
10 needed for the employer share of unemployment and social security taxes
11 on the amount of the increase.

12 (13) \$500,000 of the general fund--state appropriation for fiscal
13 year 2005 is provided solely for area agencies on aging, or entities
14 with which area agencies on aging contract, to provide support services
15 for grandparents and other formal and informal kinship caregivers of
16 children throughout the state.

17 (a) Support services shall include but not be limited to assistance
18 in gaining access to those services, counseling, organization of
19 support groups, and respite care.

20 (b) In providing support services under the kinship caregivers
21 support program, area agencies on aging shall give priority to kinship
22 caregivers who are at the greatest risk of being unable to maintain the
23 caregiving role.

24 (c) In carrying out the kinship caregivers support program, each
25 area agency on aging shall coordinate the activities of the agency, or
26 entities with which the agency contracts, with the activities of other
27 public and private agencies or organizations providing similar services
28 for kinship caregivers.

29 **Sec. 1107.** 2004 c 276 s 207 (uncodified) is amended to read as
30 follows:

31 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
32 **PROGRAM**

33	General Fund--State Appropriation (FY 2004)	\$445,968,000
34	General Fund--State Appropriation (FY 2005)	((\$437,720,000))
35		<u>\$457,208,000</u>
36	General Fund--Federal Appropriation	((\$1,208,746,000))
37		<u>\$1,216,706,000</u>

1 General Fund--Private/Local Appropriation ((~~\$33,891,000~~))
2 \$32,673,000
3 TOTAL APPROPRIATION ((~~\$2,126,325,000~~))
4 \$2,152,555,000

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

7 (1) \$273,652,000 of the general fund--state appropriation for
8 fiscal year 2004, ((~~\$273,695,000~~)) \$278,695,000 of the general fund--
9 state appropriation for fiscal year 2005, and \$1,000,222,000 of the
10 general fund--federal appropriation are provided solely for all
11 components of the WorkFirst program. Within the amounts provided for
12 the WorkFirst program, the department shall:

13 (a) Continue to implement WorkFirst program improvements that are
14 designed to achieve progress against outcome measures specified in RCW
15 74.08A.410. Valid outcome measures of job retention and wage
16 progression shall be developed and reported quarterly to appropriate
17 fiscal and policy committees of the legislature for families who leave
18 assistance, measured after 12 months, 24 months, and 36 months. The
19 department shall also report the percentage of families who have
20 returned to temporary assistance for needy families after 12 months, 24
21 months, and 36 months;

22 (b) Submit a report by October 1, 2003, to the fiscal committees of
23 the legislature containing a spending plan for the WorkFirst program.
24 The plan shall identify how spending levels in the 2003-2005 biennium
25 will be adjusted to stay within available federal grant levels and the
26 appropriated state-fund levels; and

27 (2) \$57,547,000 of the general fund--state appropriation for fiscal
28 year 2004 and ((~~\$59,953,000~~)) \$73,424,000 of the general fund--state
29 appropriation for fiscal year 2005 are provided solely for cash
30 assistance and other services to recipients in the general assistance--
31 unemployable program. Within these amounts, the department may expend
32 funds for services that assist recipients to reduce their dependence on
33 public assistance, provided that expenditures for these services and
34 cash assistance do not exceed the funds provided.

35 (3) \$936,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$936,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided for the department to assist in
38 naturalization efforts for legal aliens whose eligibility for federal

1 supplemental security income has expired. The department shall use
2 funding previously spent on general assistance employment supports for
3 these naturalization services.

4 (4) \$3,940,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$3,940,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the food assistance program
7 for legal immigrants. The level of benefits shall be equivalent to the
8 benefits provided by the federal food stamp program.

9 (5) \$9,142,000 of the general fund--federal appropriation is
10 provided solely for increased reimbursement of county legal-clerk
11 services for child support enforcement. The department shall ensure
12 this increase in cost does not reduce federal incentive payments.

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

20 (7) \$1,250,000 of the general fund--state appropriation for fiscal
21 year 2005 is provided solely for the department to maintain specialized
22 employment services through the WorkFirst/LEP pathway program for
23 refugees and other limited-English-proficient (LEP) families and
24 individuals that receive temporary assistance for needy families, state
25 family assistance, or refugee cash assistance benefits. These
26 employment services include but are not limited to English as a second
27 language (ESL), job placement assistance, and work support services.

28 (8) \$96,000 of the general fund--state appropriation for fiscal
29 year 2005, \$16,000 of the general fund--federal appropriation, and
30 \$11,000 of the general fund--local appropriation are provided solely
31 for the implementation of Engrossed Senate Bill No. 6411 (reducing
32 hunger), including section 2 of the act. If the bill is not enacted by
33 June 30, 2004, the amounts provided in this section shall lapse.

34 (9) \$500,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely for a subsidy rate increase for child care
36 providers in urban areas of region 1.

1 **Sec. 1108.** 2004 c 276 s 208 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
4 **ABUSE PROGRAM**

5	General Fund--State Appropriation (FY 2004)	\$39,979,000
6	General Fund--State Appropriation (FY 2005)	\$41,201,000
7	General Fund--Federal Appropriation	(\$94,105,000)
8		<u>\$98,359,000</u>
9	General Fund--Private/Local Appropriation	\$630,000
10	Public Safety and Education Account--State	
11	Appropriation	\$2,060,000
12	Criminal Justice Treatment Account--State	
13	Appropriation	\$8,950,000
14	Violence Reduction and Drug Enforcement Account--	
15	State Appropriation	\$49,142,000
16	((Problem Gambling Treatment Account--State	
17	 Appropriation	\$500,000))
18	TOTAL APPROPRIATION	(\$236,567,000)
19		<u>\$240,321,000</u>

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

22 (1) \$966,197 of the general fund--state appropriation for fiscal
23 year 2004 and \$966,197 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the parent child assistance
25 program. The department shall contract with the University of
26 Washington and community-based providers in Spokane and Yakima for the
27 provision of this program. For all contractors, indirect charges for
28 administering the program shall not exceed ten percent of the total
29 contract amount.

30 (2) \$250,000 of the general fund--state appropriation for fiscal
31 year 2005 is provided for the Washington state mentoring partnership.

32 ~~((3) \$500,000 of the problem gambling treatment account~~
33 ~~appropriation is provided solely to implement Second Substitute House~~
34 ~~Bill No. 2776 (problem gambling). If the bill is not enacted by June~~
35 ~~30, 2004, the amount provided in this subsection shall lapse.))~~

36 **Sec. 1109.** 2004 c 276 s 209 (uncodified) is amended to read as
37 follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
2 **PROGRAM**

3	General Fund--State Appropriation (FY 2004)	\$1,119,073,000
4	General Fund--State Appropriation (FY 2005)	((\$1,248,580,000))
5		<u>\$1,346,308,000</u>
6	General Fund--Federal Appropriation	((\$3,892,248,000))
7		<u>\$3,903,616,000</u>
8	General Fund--Private/Local Appropriation	((\$278,296,000))
9		<u>\$294,744,000</u>
10	Emergency Medical Services and Trauma Care Systems	
11	Trust Account--State Appropriation	\$14,004,000
12	Health Services Account--State Appropriation	((\$708,854,000))
13		<u>\$687,951,000</u>
14	TOTAL APPROPRIATION	((\$7,261,055,000))
15		<u>\$7,365,696,000</u>

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

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

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

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

31 (4) \$493,000 of the health services account appropriation for
32 fiscal year 2004, ~~((\$748,000))~~ \$1,184,000 of the health services
33 account appropriation for fiscal year 2005, and ~~((\$1,241,000))~~
34 \$1,438,000 of the general fund--federal appropriation are provided
35 solely for implementation of a "ticket to work" medicaid buy-in program
36 for working persons with disabilities, operated in accordance with the
37 following conditions:

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

3 (b) Participants shall participate in the cost of the program by
4 paying (i) a monthly enrollment fee equal to fifty percent of any
5 unearned income in excess of the medicaid medically needy standard; and
6 (ii) a monthly premium equal to 5 percent of all unearned income, plus
7 5 percent of all earned income after disregarding the first sixty-five
8 dollars of monthly earnings, and half the remainder;

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

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

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

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

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

27 (8) In accordance with RCW 74.46.625, \$35,953,000 of the fiscal
28 year 2004 health services account appropriation, \$20,577,000 of the
29 fiscal year 2005 health services account appropriation, and \$61,037,000
30 of the general fund--federal appropriation are provided solely for
31 supplemental payments to nursing homes operated by rural public
32 hospital districts. The payments shall be conditioned upon (a) a
33 contractual commitment by ~~((the association of public hospital
34 districts and))~~ participating rural public hospital districts to make
35 an intergovernmental transfer to the state treasurer, for deposit into
36 the health services account, equal to at least 91.9 percent of the
37 supplemental payments; and (b) ~~((a contractual commitment by the
38 association of public hospital districts to return at least 8.1 percent~~

1 of the supplemental payments to the participating rural hospital
2 districts; and (c)) a contractual commitment by the participating
3 districts to not allow ((expenditures covered by the supplemental
4 payments)) amounts intergovernmentally transferred to the state
5 treasurer to be included in the nursing home cost report as
6 expenditures or settlement against payments to be used for medicaid
7 nursing home rate setting. It is the legislature's intent that the
8 payments provided in this subsection shall be supplemental to and shall
9 not in any way offset or reduce the payments calculated and provided in
10 accordance with part E of chapter 74.46 RCW. It is the legislature's
11 further intent that costs to improve access to healthcare at nursing
12 facilities otherwise allowable for rate-setting and settlement against
13 payments under chapter 74.46 RCW shall not be disallowed solely because
14 such costs have been paid by revenues retained by the nursing home from
15 these supplemental payments. A ((hospital)) nursing home which does
16 not participate in the supplemental payment intergovernmental transfer
17 budgeted for fiscal year 2003 shall not be eligible to participate in
18 the supplemental payments budgeted in this subsection for fiscal year
19 2004. The participating districts shall retain no more than a total of
20 \$9,600,000 for the 2003-05 biennium.

21 (9) \$12,318,000 of the health services account appropriation for
22 fiscal year 2004, \$10,738,000 of the health services account
23 appropriation for fiscal year 2005, and \$23,056,000 of the general
24 fund--federal appropriation are provided solely for additional
25 disproportionate share and medicare upper payment limit payments to
26 public hospital districts and to the state's teaching hospitals. The
27 payments shall be conditioned upon a contractual commitment by the
28 participating public hospitals to make an intergovernmental transfer to
29 the health services account equal to at least 91 percent of the
30 additional payments. The state's teaching hospitals shall retain at
31 least 28 percent of the amounts retained by hospitals under these
32 programs, or the maximum allowable under the teaching hospitals' limits
33 as established under federal rule, whichever is less.

34 (10) \$3,178,000 of the health services account appropriation,
35 \$4,208,000 of the general fund--local appropriation, and \$7,308,000 of
36 the general fund--federal appropriation are provided solely for grants
37 to rural hospitals. The department shall distribute the funds under a
38 formula that provides a relatively larger share of the available

1 funding to hospitals that (a) serve a disproportionate share of low-
2 income and medically indigent patients and (b) have relatively smaller
3 net financial margins, to the extent allowed by the federal medicaid
4 program.

5 (11) \$36,002,000 of the health services account appropriation and
6 \$26,080,000 of the general fund--federal appropriation are provided
7 solely for grants to nonrural hospitals. The department shall
8 distribute the funds under a formula that provides a relatively larger
9 share of the available funding to hospitals that (a) serve a
10 disproportionate share of low-income and medically indigent patients
11 and (b) have relatively smaller net financial margins, to the extent
12 allowed by the federal medicaid program.

13 (12) \$302,000 of the general fund--state appropriation for fiscal
14 year 2004, (~~(\$1,671,000)~~) \$1,633,000 of the general fund--state
15 appropriation for fiscal year 2005, and (~~(\$17,757,000)~~) \$17,410,000 of
16 the general fund--federal appropriation are provided solely for
17 development and implementation of a replacement system for the existing
18 medicaid management information system. The medicaid management
19 information system replacement project shall comply with section 902,
20 chapter 25, Laws of 2003 1st sp. sess.

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

29 (14) The department shall, within available resources, design and
30 implement a medical care services care management pilot project for
31 clients receiving general assistance benefits. The pilot project shall
32 be operated in at least two of the counties with the highest
33 concentration of general assistance clients, and may use a full or
34 partial capitation model. In designing the project, the department
35 shall consult with the mental health division and its managed care
36 contractors that include community and migrant health centers in their
37 provider network. The pilot project shall be designed to maximize care

1 coordination, high-risk medical management, and chronic care management
2 to achieve better health outcomes. The pilot project shall begin
3 enrollment on July 1, 2004.

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

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

17 (17) The department shall establish managed care rates within
18 available funds, in a manner that promotes health plan efficiency,
19 encourages continuity of service, and assures access in underserved
20 areas.

21 (18) The department of social and health services, the office of
22 the superintendent of public instruction, and the department of health
23 should jointly identify opportunities for early intervention and
24 prevention activities that can help prevent disease and reduce oral
25 health issues among children. Disease prevention among infants at the
26 age of one year and among children entering the K-12 education system
27 provides cost-effective ways to avoid higher health care spending later
28 in life.

29 (19) The department shall secure a federal waiver, effective no
30 later than September 1, 2003, which will enable it to charge ((e~~e~~-))
31 premiums for medical and dental coverage of children whose family
32 incomes exceed the federal poverty level.

33 (20) ~~((For purposes of RCW 74.09.800(2), \$8,017,000 of the general
34 fund state appropriation for fiscal year 2004, \$8,454,000 of the
35 general fund state appropriation for fiscal year 2005, and \$30,588,000
36 of the general fund federal appropriation are provided solely to
37 provide prenatal care services to low income women who are not eligible
38 to receive such services under the medical assistance program, Title~~

1 ~~XIX of the federal social security act. If the department is unable to~~
2 ~~secure federal matching funds under Title XXI of the social security~~
3 ~~act, the department shall take all actions necessary to manage the~~
4 ~~program within these appropriated levels.~~

5 ~~(21))~~ \$13,588,000 of the health services account appropriation for
6 fiscal year 2004, \$11,008,000 of the health services account
7 appropriation for fiscal year 2005, and \$24,595,000 of the general
8 fund--federal appropriation are provided solely for additional
9 disproportionate share hospital payments to public hospital districts.
10 The payments shall be conditioned upon a contractual commitment by the
11 participating hospital districts to make an intergovernmental transfer
12 to the health services account equal to at least 86.5 percent of the
13 additional disproportionate share payment. The participating districts
14 shall retain no more than \$6,607,000 of the total additional amount
15 paid.

16 ~~((22) \$10,000,000))~~ (21) \$20,000,000 of the general fund--federal
17 and ~~((10,000,000))~~ \$20,000,000 of the general fund--local funds are
18 provided solely to increase payments in the inpatient upper payment
19 limit program for the state's teaching hospitals. Payments shall be
20 made to the extent allowable under federal medicaid rule and law. The
21 department shall work with the teaching hospitals to identify allowable
22 sources of funding for the required match and to assure that the
23 teaching hospitals are responsible for repayment of any disallowed
24 federal matching funds.

25 **Sec. 1110.** 2004 c 276 s 211 (uncodified) is amended to read as
26 follows:

27 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
28 **SUPPORTING SERVICES PROGRAM**

29	General Fund--State Appropriation (FY 2004)	\$37,620,000
30	General Fund--State Appropriation (FY 2005)	((29,382,000))
31		<u>\$29,417,000</u>
32	General Fund--Federal Appropriation	((52,580,000))
33		<u>\$52,599,000</u>
34	General Fund--Private/Local Appropriation	\$810,000
35	Public Safety and Education Account--State	
36	Appropriation	\$2,444,000
37	Violence Reduction and Drug Enforcement Account--	

1	State Appropriation	\$4,152,000
2	TOTAL APPROPRIATION	(\$126,988,000)
3		<u>\$127,042,000</u>

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

6 (1) \$467,000 of the general fund--state appropriation for fiscal
7 year 2004, \$769,000 of the general fund--state appropriation for fiscal
8 year 2005, and \$1,236,000 of the general fund--federal appropriation
9 are provided solely for transition costs associated with the downsizing
10 effort at Fircrest school. The department shall organize the
11 downsizing effort so as to minimize disruption to clients, employees,
12 and the developmental disabilities program. The employees responsible
13 for the downsizing effort shall report to the assistant secretary of
14 the aging and disability services administration. Within the funds
15 provided in this subsection, the department shall:

16 (a) Determine appropriate ways to maximize federal reimbursement
17 during the downsizing process;

18 (b) Meet and confer with representatives of affected employees on
19 how to assist employees who need help to relocate to other state jobs
20 or to transition to private sector positions;

21 (c) Review opportunities for state employees to continue caring for
22 clients by assisting them in developing privately operated community
23 residential alternatives. In conducting the review, the department
24 will examine efforts in this area pursued by other states as part of
25 institutional downsizing efforts;

26 (d) Keep appropriate committees of the legislature apprised,
27 through regular reports and periodic e-mail updates, of the development
28 of and revisions to the work plan regarding this downsizing effort; and

29 (e) Provide a preliminary transition plan to the fiscal and policy
30 committees of the legislature by January 1, 2004. The transition plan
31 shall include recommendations on ways to continue to provide some of
32 the licensed professional services offered at Fircrest school to
33 clients being served in community settings.

34 (2) \$10,000,000 of the general fund--state appropriation for fiscal
35 year 2004 is provided solely for one-time expenditures needed to meet
36 the federally required level for state supplemental payments (SSP).
37 The department shall transfer appropriate portions of this amount to
38 other programs within the agency to accomplish this purpose. The

1 department shall not initiate new services with this funding that will
2 cause total future SSP expenditures to exceed the required annual
3 maintenance-of-effort level.

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

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

13 **Sec. 1111.** 2004 c 276 s 212 (uncodified) is amended to read as
14 follows:

15 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
16 **AGENCIES PROGRAM**

17	General Fund--State Appropriation (FY 2004)	\$43,454,000
18	General Fund--State Appropriation (FY 2005)	((\$43,493,000))
19		<u>\$45,175,000</u>
20	General Fund--Federal Appropriation	((\$43,321,000))
21		<u>\$43,981,000</u>
22	TOTAL APPROPRIATION	((\$130,268,000))
23		<u>\$132,610,000</u>

24 **Sec. 1112.** 2004 c 276 s 213 (uncodified) is amended to read as
25 follows:

26 **FOR THE STATE HEALTH CARE AUTHORITY**

27	State Health Care Authority Administrative	
28	Account--State Appropriation	((\$18,942,000))
29		<u>\$19,570,000</u>
30	Health Services Account--State Appropriation	((\$417,890,000))
31		<u>\$417,333,000</u>
32	General Fund--Federal Appropriation	((\$3,875,000))
33		<u>\$3,804,000</u>
34	Medical Aid Account--State Appropriation	\$213,000
35	TOTAL APPROPRIATION	\$440,920,000

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

3 (1) \$2,500,000 of the health services account--state appropriation
4 is provided solely to increase funding for health care services
5 provided through local community clinics.

6 (2) The health services account--state appropriation contains
7 funding to provide dental care at community clinics for persons who are
8 not current medicaid recipients, and for interpreter services to
9 support dental and medical services for persons for whom interpreters
10 are not available from any other source.

11 (3) \$50,000 of the health services account--state appropriation is
12 provided solely to support the operation of an innovative clinic model
13 for the delivery of health services to uninsured or publicly insured
14 persons that is located in an urban underserved area and operated as a
15 department or subsidiary of a hospital located in that underserved
16 area; has been in operation for fewer than six months as of the
17 effective date of this act; utilizes an innovative service delivery
18 model that relies upon midlevel practitioners, volunteers, and students
19 enrolled in health education programs and offers group visits for
20 common conditions; and has a sliding fee schedule that assumes that
21 every patient of the clinic will make some contribution towards the
22 cost of his or her care.

23 (4) In order to maximize the number of enrollees who can be
24 supported within appropriated amounts, the health care authority is
25 directed to make modifications that will reduce the actuarial value of
26 the basic health plan benefit by approximately 18 percent effective
27 January 1, 2004. Modifications may include changes in enrollee premium
28 obligations, enrollee cost-sharing, benefits, and incentives to access
29 preventative services. To the extent that additional actions are
30 needed in order to operate within appropriated funds, new enrollments
31 to the program shall be limited in a manner consistent with the
32 authority's September 6, 2001, administrative policy on basic health
33 plan enrollment management.

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

1 workers with family incomes below 200 percent of the federal poverty
2 level shall be allowed to enroll in the basic health plan at the
3 minimum premium amount charged to enrollees with incomes below sixty-
4 five percent of the federal poverty level.

5 (6) The health care authority shall require organizations and
6 individuals which are paid to deliver basic health plan services and
7 which choose to sponsor enrollment in the subsidized basic health plan
8 to pay 133 percent of the premium amount which would otherwise be due
9 from the sponsored enrollees.

10 (7) The administrator shall take at least the following actions to
11 assure that persons participating in the basic health plan are eligible
12 for the level of assistance they receive: (a) Require submission of
13 (i) income tax returns, and recent pay history, from all applicants, or
14 (ii) other verifiable evidence of earned and unearned income from those
15 persons not required to file income tax returns; (b) check employment
16 security payroll records at least once every twelve months on all
17 enrollees; (c) require enrollees whose income as indicated by payroll
18 records exceeds that upon which their subsidy is based to document
19 their current income as a condition of continued eligibility; (d)
20 require enrollees for whom employment security payroll records cannot
21 be obtained to document their current income at least once every six
22 months; (e) not reduce gross family income for self-employed persons by
23 noncash-flow expenses such as, but not limited to, depreciation,
24 amortization, and home office deductions, as defined by the United
25 States internal revenue service; and (f) pursue repayment and civil
26 penalties from persons who have received excessive subsidies, as
27 provided in RCW 70.47.060(9).

28 (8) To decrease administrative burdens for providers and plans
29 participating in state purchased health care programs, the
30 administrator, the assistant secretary for the medical assistance
31 administration of the department of social and health services, and the
32 director of the department of labor and industries, in collaboration
33 with health carriers, health care providers, and the office of the
34 insurance commissioner shall, within available resources:

35 (a) Improve the timeliness of claims processing and the
36 distribution of medical assistance program fee schedules, and more
37 clearly define the scope of coverage under managed care contracts;

1 (b) Improve the capacity for electronic billing and claims
2 submission and provide electronic access to eligibility, benefits, and
3 exclusion information;

4 (c) Develop clear audit and data requirements for contracting
5 managed health care plans and improve consistency between claims
6 processing and published fee schedules;

7 (d) Conform billing codes with providers and between agencies with
8 national and regional standards wherever possible; and

9 (e) Take steps to implement cost-effective measures pursuant to
10 this section by December 2004, and on or before December 1, 2003,
11 provide a progress report to the relevant policy and fiscal committees
12 of the legislature on the feasibility of implementation and any fiscal
13 constraints or regulatory or statutory barriers.

14 **Sec. 1113.** 2004 c 276 s 214 (uncodified) is amended to read as
15 follows:

16 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

17	General Fund--State Appropriation (FY 2004)	\$5,863,000
18	General Fund--State Appropriation (FY 2005)	\$6,145,000
19	Public Safety and Education Account--State	
20	Appropriation	\$22,391,000
21	Public Safety and Education Account--Federal	
22	Appropriation	\$8,462,000
23	Asbestos Account--State Appropriation	\$717,000
24	Electrical License Account--State	
25	Appropriation	\$29,589,000
26	Farm Labor Revolving Account--Private/Local	
27	Appropriation	\$28,000
28	Worker and Community Right-to-Know Account--State	
29	Appropriation	\$2,557,000
30	Public Works Administration Account--State	
31	Appropriation	\$2,477,000
32	Accident Account--State Appropriation	\$188,181,000
33	Accident Account--Federal Appropriation	\$13,396,000
34	Medical Aid Account--State Appropriation	\$186,408,000
35	Medical Aid Account--Federal Appropriation	\$2,960,000
36	Plumbing Certificate Account--State	
37	Appropriation	\$1,490,000

1 Pressure Systems Safety Account--State
2 Appropriation \$2,878,000
3 TOTAL APPROPRIATION \$473,542,000

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

6 (1) \$90,000 of the electrical license account--state appropriation
7 and \$206,000 of the plumbing certificate account--state appropriation
8 are provided solely to implement Engrossed Substitute Senate Bill No.
9 5713 (electrical contractors). If the bill is not enacted by June 30,
10 2003, the amounts provided in this subsection shall lapse.

11 (2) (~~(\$578,000)~~) \$1,031,000 of the accident account--state
12 appropriation is provided solely for the purpose of:

13 (a) Contracting with medical laboratories, health care providers,
14 and other appropriate entities to provide cholinesterase medical
15 monitoring of farm workers who handle cholinesterase-inhibiting
16 pesticides(~~(, and)~~);

17 (b) To collect and analyze data related to such monitoring(~~(-~~
18 ~~(3) \$453,000 of the accident account state appropriation is~~
19 ~~provided solely for the purpose of reimbursing)~~);

20 (c) To reimburse agricultural employers for the costs of training,
21 record-keeping, and travel related to cholinesterase medical monitoring
22 of farm workers who handle cholinesterase(~~(-inhibiting pesticides)~~).

23 (~~(+4)~~) (3) The department shall report to the office of financial
24 management and the appropriate fiscal and policy committees of the
25 legislature detailed information regarding administrative staffing
26 levels and services by October 1, 2004, and prior to implementing phase
27 II of the indirect cost study.

28 (~~(+5)~~) (4) \$399,000 of the accident account--state appropriation
29 and \$399,000 of the medical aid account--state appropriation are
30 provided solely for the expansion of workers' compensation fraud
31 investigation activities. The department shall report quarterly to the
32 office of financial management and the appropriate policy and fiscal
33 committees of the legislature regarding the cost effectiveness of fraud
34 activities, including the total dollars expended compared to total
35 dollars recovered.

36 (5) If the department estimates that expenditures for crime victims
37 compensation will exceed the appropriations, including any amounts
38 provided in Senate Bill No. 5993, the department shall take steps,

1 including but not limited to reduction of rates or elimination of
2 optional services, to reduce expenditures so that total program costs
3 do not exceed the annual appropriation authority.

4 **Sec. 1114.** 2004 c 276 s 215 (uncodified) is amended to read as
5 follows:

6 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

7 (1) HEADQUARTERS

8	General Fund--State Appropriation (FY 2004)	\$1,531,000
9	General Fund--State Appropriation (FY 2005)	\$1,536,000
10	Charitable, Educational, Penal, and Reformatory	
11	Institutions Account--State	
12	Appropriation	\$11,000
13	TOTAL APPROPRIATION	\$3,078,000

14 (2) FIELD SERVICES

15	General Fund--State Appropriation (FY 2004)	\$2,588,000
16	General Fund--State Appropriation (FY 2005)	\$2,596,000
17	General Fund--Federal Appropriation	\$309,000
18	General Fund--Private/Local Appropriation	\$1,668,000
19	TOTAL APPROPRIATION	\$7,161,000

20 (3) INSTITUTIONAL SERVICES

21	General Fund--State Appropriation (FY 2004)	\$7,380,000
22	General Fund--State Appropriation (FY 2005)	(\$6,020,000)
23		<u>\$6,136,000</u>
24	General Fund--Federal Appropriation	(\$27,365,000)
25		<u>\$29,051,000</u>
26	General Fund--Private/Local Appropriation	(\$27,822,000)
27		<u>\$26,345,000</u>
28	TOTAL APPROPRIATION	(\$68,587,000)
29		<u>\$68,912,000</u>

30 **Sec. 1115.** 2004 c 276 s 217 (uncodified) is amended to read as
31 follows:

32 **FOR THE DEPARTMENT OF HEALTH**

33	General Fund--State Appropriation (FY 2004)	\$57,853,000
34	General Fund--State Appropriation (FY 2005)	\$60,346,000
35	Health Services Account--State Appropriation	(\$36,989,000)
36		<u>\$34,163,000</u>

1	General Fund--Federal Appropriation	((\$392,762,000))
2		<u>\$395,950,000</u>
3	General Fund--Private/Local Appropriation	((\$93,601,000))
4		<u>\$99,368,000</u>
5	Hospital Commission Account--State	
6	Appropriation	\$2,490,000
7	Health Professions Account--State	
8	Appropriation	\$40,285,000
9	Emergency Medical Services and Trauma Care Systems	
10	Trust Account--State Appropriation	\$12,558,000
11	Safe Drinking Water Account--State	
12	Appropriation	\$2,728,000
13	Drinking Water Assistance Account--Federal	
14	Appropriation	\$15,654,000
15	Waterworks Operator Certification--State	
16	Appropriation	\$1,053,000
17	Drinking Water Assistance Administrative Account--	
18	State Appropriation	\$326,000
19	Water Quality Account--State Appropriation	\$3,359,000
20	Accident Account--State Appropriation	\$258,000
21	Medical Aid Account--State Appropriation	\$46,000
22	State Toxics Control Account--State	
23	Appropriation	\$2,761,000
24	Medical Test Site Licensure Account--State	
25	Appropriation	\$1,718,000
26	Youth Tobacco Prevention Account--State	
27	Appropriation	\$1,806,000
28	Tobacco Prevention and Control Account--State	
29	Appropriation	\$52,510,000
30	TOTAL APPROPRIATION	((\$779,103,000))
31		<u>\$785,232,000</u>

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

34 (1) The department or any successor agency is authorized to raise
35 existing fees charged for health care assistants, commercial shellfish
36 paralytic shellfish poisoning, commercial shellfish licenses, newborn
37 screening programs, psychiatrically impaired children and youth
38 residential treatment, and in-home services in excess of the fiscal

1 growth factor established by Initiative Measure No. 601, if necessary,
2 to meet the actual costs of conducting business and the appropriation
3 levels in this section.

4 (2) \$1,337,000 of the general fund--state fiscal year 2004
5 appropriation and \$1,338,000 of the general fund--state fiscal year
6 2005 appropriation are provided solely for the implementation of the
7 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
8 DOH-03, and DOH-04.

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

25 (4) (~~(\$24,350,000)~~) \$21,524,000 of the health services account--
26 state appropriation is provided solely for the state's program of
27 universal access to essential childhood vaccines. The department shall
28 utilize all available federal funding before expenditure of these
29 funds.

30 (5) \$2,984,000 of the general fund--local appropriation is provided
31 solely for development and implementation of an internet-based system
32 for preparing and retrieving death certificates as provided in
33 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
34 vital records).

35 (6) The department of social and health services, the office of the
36 superintendent of public instruction, and the department of health
37 should jointly identify opportunities for early intervention and
38 prevention activities that can help prevent disease and reduce oral

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

5 (7) \$92,000 of the general fund--state appropriation for fiscal
6 year 2004, \$19,000 of the general fund--state appropriation for fiscal
7 year 2005, and \$987,000 of the general fund--local appropriation are
8 provided solely for implementation of Substitute House Bill No. 1338
9 (municipal water rights). If Substitute House Bill No. 1338 is not
10 enacted by June 30, 2003, the amounts provided in this subsection shall
11 lapse.

12 (8) \$188,000 of the health professions account--state appropriation
13 is provided solely to increase the regulation of sales of precursor
14 drugs that are often used to illegally manufacture methamphetamine to
15 implement Senate Bill No. 6478 (ephedrine). If the bill is not enacted
16 by June 30, 2004, the amount provided in this subsection shall lapse.

17 (9) \$25,000 of the general fund--state appropriation for fiscal
18 year 2005 is provided solely to develop and implement best practices in
19 preventative health care for children. The department and the kids get
20 care program of public health - Seattle and King county will work in
21 collaboration with local health care agencies to disseminate strategic
22 interventions that are focused on evidence-based best practices for
23 improving health outcomes in children and saving health care costs. A
24 report shall be provided to the appropriate committees of the
25 legislature by June 30, 2005, on the program effectiveness and cost
26 savings. This funding shall be matched by an equal amount of local
27 funding.

28 (10) \$250,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for the department to implement a
30 multiyear pilot project in Yakima county for persons with household
31 income at or below 200 percent of the federal poverty level who are
32 ineligible for family planning services through the medicaid program.
33 Individuals who will be served under the pilot include women who have
34 never been pregnant, are not currently pregnant, or are beyond the
35 family planning extension period allowed for first steps program
36 eligibility. It is anticipated that the pilot project will serve
37 approximately 1,000 women annually. The department will provide a

1 preliminary report to the appropriate committees of the legislature by
2 December 1, 2005.

3 **Sec. 1116.** 2004 c 276 s 218 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the
6 department of corrections in this act shall be expended for the
7 programs and in the amounts specified herein. However, after May 1,
8 ((2004)) 2005, after approval by the director of financial management
9 and unless specifically prohibited by this act, the department may
10 transfer general fund--state appropriations for fiscal year ((2004))
11 2005 between programs. The director of financial management shall
12 notify the appropriate fiscal committees of the senate and house of
13 representatives in writing prior to approving any deviations from
14 appropriation levels.

15 (1) ADMINISTRATION AND SUPPORT SERVICES

16 General Fund--State Appropriation (FY 2004)	\$36,534,000
17 General Fund--State Appropriation (FY 2005)	((\$38,835,000))
	<u>\$41,461,000</u>
19 Public Safety and Education Account--State	
20 Appropriation	\$3,657,000
21 Violence Reduction and Drug Enforcement	
22 Account Appropriation	\$26,000
23 TOTAL APPROPRIATION	((\$79,052,000))
24	<u>\$81,678,000</u>

25 The appropriations in this subsection are subject to the following
26 conditions and limitations: \$700,000 of the general fund--state
27 appropriation for fiscal year 2004 and ((~~\$2,550,000~~)) \$5,050,000 of the
28 general fund--state appropriation for fiscal year 2005 are provided
29 solely for the continuation of phase two of the department's offender-
30 based tracking system replacement project. These amounts are
31 conditioned on the department satisfying the requirements of section
32 902 of this act.

33 (2) CORRECTIONAL OPERATIONS

34 General Fund--State Appropriation (FY 2004)	\$458,402,000
35 General Fund--State Appropriation (FY 2005)	((\$477,061,000))
36	<u>\$489,605,000</u>
37 General Fund--Federal Appropriation	((\$4,090,000))

1		<u>\$4,507,000</u>
2	Violence Reduction and Drug Enforcement Account--	
3	State Appropriation	\$3,008,000
4	TOTAL APPROPRIATION	((\$942,561,000))
5		<u>\$955,522,000</u>

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

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

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

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

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

32 (e) For the acquisition of properties and facilities, the
33 department of corrections is authorized to enter into financial
34 contracts, paid for from operating resources, for the purposes
35 indicated and in not more than the principal amounts indicated, plus
36 financing expenses and required reserves pursuant to chapter 39.94 RCW.
37 This authority applies to the following: Lease-develop with the option

1 to purchase or lease-purchase approximately 50 work release beds in
2 facilities throughout the state for \$3,500,000.

3 (f) \$7,272,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for the purposes of settling all claims in
5 Stamey, et al. v. State of Washington Department of Corrections, Pierce
6 County Superior Court Cause No. 03-2-06201-1. The expenditure of this
7 appropriation is contingent on the release of all claims in the case,
8 and total settlement costs shall not exceed the appropriation in this
9 subsection (f). If settlement is not executed by June 30, 2005, the
10 appropriation in this subsection (f) shall lapse.

11 (g) \$810,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely for the purposes of settling all claims in
13 Arrasmith, et al. v. State of Washington Department of Corrections,
14 Pierce County Superior Court Cause No. 04-2-07177-7. The expenditure
15 of this appropriation is contingent on the release of all claims in the
16 case, and total settlement costs shall not exceed the appropriation in
17 this subsection (g). If settlement is not executed by June 30, 2005,
18 the appropriation in this subsection (g) shall lapse.

19 (3) COMMUNITY SUPERVISION

20	General Fund--State Appropriation (FY 2004)	\$87,626,000
21	General Fund--State Appropriation (FY 2005)	(\$88,564,000)
22		<u>\$84,711,000</u>
23	Public Safety and Education	
24	Account--State Appropriation	\$15,492,000
25	TOTAL APPROPRIATION	(\$191,682,000)
26		<u>\$187,829,000</u>

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

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

34 (b) \$75,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$75,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for the department of corrections
37 to contract with the institute for public policy for responsibilities

1 assigned in chapter 196, Laws of 1999 (offender accountability act) and
2 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
3 sentencing).

4 (c) \$100,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely for a pilot project to test the
6 availability, reliability, and effectiveness of an electronic
7 monitoring system based on passive data logging global positioning
8 system technology for monitoring sex offenders.

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

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

15 (iii) The pilot project shall test the system using sex or
16 kidnapping offenders under the jurisdiction of the department of
17 corrections and persons civilly committed under chapter 71.09 RCW under
18 a variety of supervision circumstances. Offenders included in the
19 pilot project shall be offenders who have been classified as level
20 three offenders by the end of sentence review committee and over whom
21 the department of corrections has authority to establish conditions of
22 supervision or persons who have been ordered to be electronically
23 monitored by the court in a proceeding under chapter 71.09 RCW and who
24 have been classified as level three offenders by the end of sentence
25 review committee.

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

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

33 (A) The availability of the technology, including a description of
34 the system used and a discussion of the various types of global
35 positioning system-based monitoring available and appropriate for a sex
36 offender population;

37 (B) Any geographic or weather-related limitations posed by the
38 technology;

- 1 (C) The reliability, including the false alarm rate of the
- 2 technology;
- 3 (D) Any training requirements for department of corrections staff
- 4 or supervised persons;
- 5 (E) Any distinctions in effectiveness or feasibility for different
- 6 supervision populations;
- 7 (F) Costs, including equipment costs, monitoring fees, and any
- 8 changes to department of corrections staffing levels;
- 9 (G) The ability of the subjects of the pilot to pay for daily
- 10 and/or equipment costs;
- 11 (H) The rate of loss or damage to equipment used by the subjects of
- 12 the pilot project; and
- 13 (I) Limitations in the pilot project to determining the answers to
- 14 the items in this subsection (3)(c)(v).

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

18 (4) CORRECTIONAL INDUSTRIES

19	General Fund--State Appropriation (FY 2004)	\$626,000
20	General Fund--State Appropriation (FY 2005)	\$626,000
21	TOTAL APPROPRIATION	\$1,252,000

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

31 (5) INTERAGENCY PAYMENTS

32	General Fund--State Appropriation (FY 2004)	\$26,259,000
33	General Fund--State Appropriation (FY 2005)	\$26,288,000
34	TOTAL APPROPRIATION	\$52,547,000

35 The appropriations in this subsection are subject to the following
 36 conditions and limitations: \$70,000 of the general fund--state
 37 appropriation for fiscal year 2005 is provided solely for the

1 implementation of Engrossed Second Substitute Senate Bill No. 6489
2 (correctional industries). If the bill is not enacted by June 30,
3 2004, the amount provided in this subsection shall lapse.

4 **Sec. 1117.** 2004 c 276 s 219 (uncodified) is amended to read as
5 follows:

6 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

7	General Fund--Federal Appropriation	\$267,586,000
8	General Fund--Private/Local Appropriation	\$30,103,000
9	Unemployment Compensation Administration Account--	
10	Federal Appropriation	\$192,366,000
11	Administrative Contingency Account--State	
12	Appropriation	\$11,221,000
13	Employment Service Administrative Account--State	
14	Appropriation	\$23,184,000
15	TOTAL APPROPRIATION	\$524,460,000

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

18 (1) \$100,000 of the administrative contingency account
19 appropriation is provided solely to the employment security department
20 for manufacturing economic research and surveys with findings reported
21 to relevant legislative committees, business, and labor.

22 (2) \$3,988,000 of the unemployment compensation administration
23 account--federal appropriation is provided from funds made available to
24 the state by section 903(d) of the Social Security Act (Reed Act).
25 These funds are provided to replace obsolete information technology
26 infrastructure.

27 (3) \$3,500,000 of the unemployment compensation administration
28 account--federal appropriation is provided from funds made available to
29 the state by section 903(d) of the Social Security Act (Reed Act).
30 These funds are authorized for employer outreach activities, employment
31 service activities, and to prevent, detect, and collect unemployment
32 insurance benefit overpayments.

33 (4) \$1,881,000 of the unemployment compensation administration
34 account--federal appropriation is provided from funds made available to
35 the state by section 903(d) of the social security act (Reed Act).
36 These funds are authorized to build an electronic delivery system to

1 improve the collection, storage, and access of claimant and employer
2 documents used by the department.

3 (5) \$2,065,000 of the unemployment compensation administration
4 account--federal appropriation is provided from funds made available to
5 the state by section 903(d) of the social security act (Reed Act).
6 These funds are authorized to provide technology to collect information
7 from unemployment insurance applicants at the beginning of the
8 telephone interview.

9 (6) \$4,337,000 of the unemployment compensation administration
10 account--federal appropriation is provided from funds made available to
11 the state by section 903(d) of the social security act (Reed Act).
12 These funds are authorized to provide direct services to unemployment
13 insurance claimants and providing job search review.

(End of part)

PART XII
NATURAL RESOURCES

Sec. 1201. 2004 c 276 s 301 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004)	\$35,828,000
General Fund--State Appropriation (FY 2005)	(\$35,911,000)
	<u>\$36,184,000</u>
General Fund--Federal Appropriation	\$57,143,000
General Fund--Private/Local Appropriation	\$3,696,000
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	\$2,760,000
Flood Control Assistance Account--	
State Appropriation	\$2,159,000
State Emergency Water Projects Revolving Account--	
State Appropriation	\$725,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	\$1,858,000
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$593,000
Site Closure Account--State Appropriation	(\$629,000)
	<u>\$653,000</u>
Water Quality Account--State Appropriation	\$25,252,000
Wood Stove Education and Enforcement Account--	
State Appropriation	\$356,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,348,000
State Toxics Control Account--State	
Appropriation	(\$59,427,000)
	<u>\$60,039,000</u>

1	State Toxics Control Account--Private/Local	
2	Appropriation	\$353,000
3	Local Toxics Control Account--State	
4	Appropriation	\$4,878,000
5	Water Quality Permit Account--State	
6	Appropriation	\$25,741,000
7	Underground Storage Tank Account--State	
8	Appropriation	\$2,710,000
9	Environmental Excellence Account--State	
10	Appropriation	\$504,000
11	Biosolids Permit Account--State Appropriation	\$784,000
12	Hazardous Waste Assistance Account--State	
13	Appropriation	\$4,535,000
14	Air Pollution Control Account--State	
15	Appropriation	\$1,654,000
16	Oil Spill Prevention Account--State	
17	Appropriation	\$7,889,000
18	Air Operating Permit Account--State	
19	Appropriation	\$3,693,000
20	Freshwater Aquatic Weeds Account--State	
21	Appropriation	\$2,503,000
22	Oil Spill Response Account--State	
23	Appropriation	\$7,078,000
24	Metals Mining Account--State Appropriation	\$19,000
25	Water Pollution Control Revolving Account--	
26	State Appropriation	\$387,000
27	Water Pollution Control Revolving Account--	
28	Federal Appropriation	\$1,901,000
29	TOTAL APPROPRIATION	(\$308,042,000)
30		<u>\$308,951,000</u>

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

33 (1) \$2,757,696 of the general fund--state appropriation for fiscal
34 year 2004, \$2,757,696 of the general fund--state appropriation for
35 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
36 \$2,581,000 of the state toxics account--state appropriation, \$217,830
37 of the water quality account--state appropriation, \$322,976 of the
38 state drought preparedness account--state appropriation, \$3,748,220 of

1 the water quality permit account--state appropriation, and \$704,942 of
2 the oil spill prevention account are provided solely for the
3 implementation of the Puget Sound work plan and agency action items
4 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

5 (2) \$4,059,000 of the state toxics control account appropriation is
6 provided solely for methamphetamine lab clean-up activities.

7 (3) \$170,000 of the oil spill prevention account appropriation is
8 provided solely for implementation of the Puget Sound work plan action
9 item UW-02 through a contract with the University of Washington's sea
10 grant program to develop an educational program targeted to small
11 spills from commercial fishing vessels, ferries, cruise ships, ports,
12 and marinas.

13 (4) \$730,000 of the general fund--state appropriation for fiscal
14 year 2004 and (~~(\$1,270,000)~~) \$1,543,000 of the general fund--state
15 appropriation for fiscal year 2005 are provided solely for shoreline
16 grants to local governments to implement Substitute Senate Bill No.
17 6012 (shoreline management), chapter 262, Laws of 2003.

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

21 (6) \$200,000 of the water quality account--state appropriation is
22 provided solely for the department to contract with Washington State
23 University cooperative extension program to provide statewide
24 coordination and support for coordinated resource management.

25 (7) \$100,000 of the state toxics control account--state
26 appropriation is provided solely to implement Engrossed Substitute
27 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill
28 is not enacted by June 30, 2003, the amount provided in this subsection
29 shall lapse.

30 (8) The department of ecology is authorized to take one of the
31 following actions related to the grant awarded in the 2001-03 biennium
32 to Lincoln county for the Negro Creek flood control project, flood
33 control assistance account program grant G0200049: (a) Carry forward
34 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
35 the time of performance for the grant contract to the end of the 2003-
36 2005 biennium.

37 (9) \$144,000 of the oil spill prevention account--state
38 appropriation is provided solely to implement the provisions of

1 Substitute Senate Bill No. 6641 (oil spills). If the bill is not
2 enacted by June 30, 2004, the amount provided in this subsection shall
3 lapse.

4 (10) \$536,000 of the water quality permit account--state
5 appropriation is provided solely to implement the provisions of
6 Engrossed Substitute Senate Bill No. 6415 (storm water discharge
7 permits). If the bill is not enacted by June 30, 2004, the amount
8 provided in this subsection shall lapse.

9 (11) \$218,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely to implement the provisions of Engrossed
11 Second Substitute Senate Bill No. 5957 (water quality data). If the
12 bill is not enacted by June 30, 2004, the amounts provided in this
13 subsection shall lapse.

14 (12) \$100,000 of the general fund--state appropriation for fiscal
15 year 2005 is provided solely to support the initial phase of the
16 federal United States Geological Survey study of the Spokane
17 Valley-Rathdrum Prairie aquifer.

18 (13) \$65,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely to implement Engrossed Substitute House
20 Bill No. 2488 (electronic products). If the bill is not enacted by
21 June 30, 2004, the amounts provided in this subsection shall lapse.

22 (14) \$1,043,000 of the general fund--state appropriation for fiscal
23 year 2005 is provided solely for (a) establishing instream flows by
24 rule for main stem rivers and their key tributaries. In watersheds
25 where planning is not being conducted pursuant to chapter 90.82 RCW,
26 the department shall follow the procedures and applicable requirements
27 of chapters 90.22 and 90.54 RCW, and shall create a process of public
28 involvement similar to that of a watershed planning unit under the
29 provisions of chapter 90.82 RCW, in order to ensure that citizens are
30 informed and afforded the opportunity to participate in the development
31 of instream flow recommendations in collaboration with the department;
32 (b) working with counties that have existing geographic information
33 systems to map existing water rights and document current ownership and
34 evaluating alternative administrative systems for determining existing
35 water rights; and (c) assigning one water master to a basin that has
36 been adjudicated.

37 (15) \$2,500,000 of the general fund--state appropriation for fiscal

1 year 2004 is provided solely for a one-time payment to settle all
2 claims in a suit against the state in the *Envirotest v. Department of*
3 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.

4 (16) \$350,000 of the hazardous waste assistance account
5 appropriation is provided solely for rulemaking to require closure
6 plans, liability coverage, and financial assurances for hazardous waste
7 management facilities.

8 (17) \$300,000 of the general fund--state appropriation for fiscal
9 year 2005 is provided solely to assist in watershed planning efforts.
10 Of this amount, \$200,000 is provided solely for mediation efforts with
11 the Lummi nation to pursue resolution of federal and tribal rights to
12 water in Washington state consistent with comprehensive state water
13 resources planning under chapter 90.54 RCW and \$100,000 is provided
14 solely for coordination and staff support for the Nisqually river
15 council watershed initiative program.

16 (18)(a) \$166,000 of the general fund--state appropriation for
17 fiscal year 2005 is provided solely for rulemaking and development of
18 chemical action plans for persistent bioaccumulative toxins. Of this
19 amount:

20 (i) \$83,000 is provided solely for the development of a chemical
21 action plan for the chemical compounds known as PBDE (polybrominated
22 diphenyl ethers); and

23 (ii) \$83,000 is provided solely for rulemaking to develop specific
24 criteria by which chemicals may be included on a persistent
25 bioaccumulative toxins list, develop a specific list of persistent
26 bioaccumulative toxins and establish criteria for selecting chemicals
27 for chemical action plans. The department shall develop the criteria
28 and list consistent with the administrative procedure act provided
29 under chapter 34.05 RCW and shall not adopt the rule prior to the
30 adjournment of the 2005 legislative session. The department shall make
31 recommendations to the legislature by December 31, 2004, regarding
32 future funding alternatives to address persistent bioaccumulative
33 toxins.

34 (b) \$159,000 of the state toxics control account appropriation is
35 provided solely to implement the mercury chemical action plan. Of this
36 amount: (i) \$84,000 is provided for development of a memorandum of
37 understanding with the Washington state hospital association and the

1 auto recyclers of Washington to ensure the safe removal and disposal of
2 products containing mercury; and (ii) \$75,000 is provided for ongoing
3 fluorescent lamp recycling.

4 Any pesticide with a valid registration on or after the effective
5 date of this act issued by the environmental protection agency under
6 the federal insecticide, fungicide and rodenticide act, 7 U.S.C. 136 et
7 seq., or any fertilizer regulated under the Washington fertilizer act,
8 chapter 15.54 RCW, shall not be included in a persistent
9 bioaccumulative toxin rulemaking process, list, or chemical action plan
10 undertaken by the department of ecology.

11 (19) \$120,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely for a wetland mitigation banking pilot
13 project. The department shall work with representatives from involved
14 state agencies, the army corps of engineers, business, mitigation
15 banking organizations, and environmental organizations to develop and
16 implement a wetland banking rule. The department shall report to the
17 appropriate committees of the legislature on the progress of the rule
18 by December 2004.

19 (20) Within the amounts appropriated in this section the department
20 shall convene and provide staff support for a water resources
21 administration and funding task force. The task force shall develop
22 proposals for and recommend several options for funding the state's
23 water resource programs, including both operating programs and capital
24 costs for water program implementation. The task force must report its
25 findings and recommendations to the governor and the appropriate
26 committees of the legislature by December 15, 2004. The task force
27 shall include representatives of each of the following interests,
28 selected by the associations representing those interests:

29 (i) One representative from each of the following interests:
30 Agriculture, industry, environmental, fisheries, water utilities, and
31 power utilities;

32 (ii) One representative of cities and one representative of
33 counties;

34 (iii) Two representatives of Indian tribes, one from eastern
35 Washington and one from western Washington;

36 (iv) Three representatives of the executive branch of state
37 government; and

1 (v) The department of ecology shall invite a representative of the
2 United States bureau of reclamation to participate as a member of the
3 task force.

4 **Sec. 1202.** 2004 c 276 s 302 (uncodified) is amended to read as
5 follows:

6 **FOR THE STATE PARKS AND RECREATION COMMISSION**

7	General Fund--State Appropriation (FY 2004)	\$30,015,000
8	General Fund--State Appropriation (FY 2005)	(\$30,034,000)
9		<u>\$30,398,000</u>
10	General Fund--Federal Appropriation	\$2,666,000
11	General Fund--Private/Local Appropriation	\$63,000
12	Winter Recreation Program Account--State	
13	Appropriation	\$1,079,000
14	Off Road Vehicle Account--State Appropriation	\$285,000
15	Snowmobile Account--State Appropriation	\$4,790,000
16	Aquatic Lands Enhancement Account--State	
17	Appropriation	\$332,000
18	Public Safety and Education Account--State	
19	Appropriation	\$47,000
20	Parks Renewal and Stewardship Account--	
21	Private/Local Appropriation	\$300,000
22	Parks Renewal and Stewardship Account--	
23	State Appropriation	(\$34,431,000)
24		<u>\$34,744,000</u>
25	TOTAL APPROPRIATION	(\$104,042,000)
26		<u>\$104,719,000</u>

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

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

32 (2) \$79,000 of the general fund--state appropriation for fiscal
33 year 2004, \$79,000 of the general fund--state appropriation for fiscal
34 year 2005, and \$8,000 of the winter recreation program account--state
35 appropriation are provided solely for a grant for the operation of the
36 Northwest avalanche center.

1 (3) \$191,000 of the aquatic lands enhancement account appropriation
2 is provided solely for the implementation of the Puget Sound work plan
3 and agency action item P+RC-02.

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

8 (5) \$72,000 of the parks renewal and stewardship account--state
9 appropriation is provided solely for one-time and ongoing computer
10 system improvements and technical support.

11 (6) \$106,000 of the general fund--state appropriation for fiscal
12 year 2005 and \$158,000 of the parks renewal and stewardship account--
13 state appropriation are provided solely for employee retirement buyout
14 costs.

15 **Sec. 1203.** 2004 c 276 s 304 (uncodified) is amended to read as
16 follows:

17 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

18	General Fund--State Appropriation (FY 2004)	\$934,000
19	General Fund--State Appropriation (FY 2005)	(\$998,000)
20		<u>\$1,021,000</u>
21	TOTAL APPROPRIATION	(\$1,932,000)
22		<u>\$1,955,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations: \$30,000 of the general fund--state
25 appropriation for fiscal year 2004 and ~~(\$20,000)~~ \$43,000 of the
26 general fund--state appropriation for fiscal year 2005 are provided
27 solely to implement Engrossed Substitute Senate Bill No. 5776 (review
28 of permit decisions), chapter 393, Laws of 2003.

29 **Sec. 1204.** 2004 c 276 s 306 (uncodified) is amended to read as
30 follows:

31 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

32	General Fund--State Appropriation (FY 2004)	\$41,600,000
33	General Fund--State Appropriation (FY 2005)	(\$40,584,000)
34		<u>\$40,634,000</u>
35	General Fund--Federal Appropriation	(\$40,316,000)
36		<u>\$41,816,000</u>

1	General Fund--Private/Local Appropriation	((\$29,420,000))
2		<u>\$34,345,000</u>
3	Off Road Vehicle Account--State	
4	Appropriation	\$501,000
5	Aquatic Lands Enhancement Account--State	
6	Appropriation	\$5,620,000
7	Public Safety and Education Account--State	
8	Appropriation	\$562,000
9	Recreational Fisheries Enhancement Account--	
10	State Appropriation	((\$3,467,000))
11		<u>\$3,692,000</u>
12	Warm Water Game Fish Account--State	
13	Appropriation	\$2,568,000
14	Eastern Washington Pheasant Enhancement Account--	
15	State Appropriation	\$750,000
16	Wildlife Account--State Appropriation	((\$58,922,000))
17		<u>\$59,382,000</u>
18	Wildlife Account--Federal Appropriation	\$29,532,000
19	Wildlife Account--Private/Local	
20	Appropriation	\$10,038,000
21	Special Wildlife Account--State	
22	Appropriation	\$2,068,000
23	Special Wildlife Account--Federal	
24	Appropriation	((\$8,720,000))
25		<u>\$7,720,000</u>
26	Special Wildlife Account--Private/Local	
27	Appropriation	((\$450,000))
28		<u>\$1,450,000</u>
29	Environmental Excellence Account--State	
30	Appropriation	\$15,000
31	Regional Fisheries Salmonid Recovery Account--	
32	Federal Appropriation	((\$1,750,000))
33		<u>\$2,750,000</u>
34	Oil Spill Prevention Account--State	
35	Appropriation	\$981,000
36	Oyster Reserve Land Account--State	
37	Appropriation	\$411,000
38	TOTAL APPROPRIATION	((\$278,275,000))

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

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

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

(3) \$1,016,000 of the wildlife account--state appropriation is provided solely for stewardship and maintenance needs on agency-owned lands and water access sites.

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

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

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

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

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

(9) Within funds provided, the department shall make available

1 enforcement and biological staff to respond and take appropriate action
2 to ensure public safety in response to public complaints regarding bear
3 and cougar.

4 (10) \$43,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$42,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for staffing and operation of the
7 Tennant Lake interpretive center.

8 (11) \$80,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$77,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely to implement Second Substitute
11 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
12 2003.

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

19 (13) \$110,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$110,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for economic adjustment assistance
22 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

23 (14) The department shall emphasize enforcement of laws related to
24 protection of fish habitat and the illegal harvest of salmon and
25 steelhead. Within the amount provided for the agency, the department
26 shall provide support to the department of health to enforce state
27 shellfish harvest laws.

28 (15) \$75,000 of the recreational fisheries enhancement account and
29 \$75,000 of the state wildlife account--state appropriation are provided
30 solely to implement additional selective recreational fisheries to
31 include one additional fishery each in eastern and western Washington.
32 The department shall determine the eastern Washington fishery, and the
33 western Washington fishery shall be for Lake Washington sockeye.

34 (16) \$16,000 of the wildlife account--state appropriation is
35 provided solely for implementation of Substitute House Bill No. 2621
36 (razor clam license). If the bill is not enacted by June 30, 2004, the
37 amount provided in this subsection shall lapse.

1 (17) \$417,000 of the wildlife account--state appropriation is
2 provided solely to implement Substitute House Bill No. 2431 (Dungeness
3 crab card). If the bill is not enacted by June 30, 2004, the amount
4 provided in this subsection shall lapse.

5 (18) \$112,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely to buy back purse seine fishing licenses.

7 (19) \$180,000 of the wildlife account--state appropriation is
8 provided solely to test deer and elk for chronic wasting disease and to
9 document the extent of swan lead poisoning. Of this amount, \$65,000 is
10 provided solely to document the extent of swan lead poisoning and to
11 begin environmental cleanup.

12 ~~(20) ((\$122,000 of the wildlife account--state appropriation is
13 provided solely to reimburse the department of natural resources for
14 fire suppression costs incurred on department of fish and wildlife
15 lands.~~

16 ~~(+21))~~ \$150,000 of the general fund--state appropriation for fiscal
17 year 2005 and \$150,000 of the wildlife account--state appropriation are
18 provided solely to complete phase II of the contract management system
19 (CAPS). The CAPS system phase II shall be operational no later than
20 June 30, 2005.

21 ~~((+22))~~ (21) From within existing funding, the department shall
22 provide a report to the appropriate committees of the legislature
23 identifying options for reducing future allocations for the harvest of
24 salmon in the event that a group's actual catch exceeds a current
25 allocation. The report shall identify any statutory changes that would
26 be required to implement such an accountability system.

27 ~~((+23))~~ (22) \$50,000 of the general fund--state appropriation for
28 fiscal year 2005 is provided solely for lease payments for the
29 Vancouver hatchery staff residence and for the development of plans for
30 an educational facility in cooperation with the Columbia Springs
31 environmental education center.

32 (23) \$50,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely for pheasant brood stock replacement and
34 follow up sanitation and clean up of the Lewis county game farm.

35 **Sec. 1205.** 2004 c 276 s 307 (uncodified) is amended to read as
36 follows:

1	FOR THE DEPARTMENT OF NATURAL RESOURCES	
2	General Fund--State Appropriation (FY 2004)	\$54,189,000
3	General Fund--State Appropriation (FY 2005)	(\$36,554,000)
4		<u>\$47,583,000</u>
5	General Fund--Federal Appropriation	(\$5,116,000)
6		<u>\$5,281,000</u>
7	General Fund--Private/Local Appropriation	\$2,482,000
8	Forest Development Account--State	
9	Appropriation	\$52,075,000
10	Off Road Vehicle Account--State	
11	Appropriation	\$4,029,000
12	Surveys and Maps Account--State	
13	Appropriation	\$2,761,000
14	Aquatic Lands Enhancement Account--State	
15	Appropriation	\$8,925,000
16	Resources Management Cost Account--State	
17	Appropriation	\$70,418,000
18	Surface Mining Reclamation Account--State	
19	Appropriation	\$2,293,000
20	Disaster Response Account--State Appropriation	\$7,200,000
21	State Toxics Control Account--State Appropriation	(\$750,000)
22		<u>\$890,000</u>
23	Water Quality Account--State Appropriation	\$2,479,000
24	Aquatic Land Dredged Material Disposal Site	
25	Account--State Appropriation	\$1,311,000
26	Natural Resource Conservation Areas Stewardship	
27	Account Appropriation	\$83,000
28	Air Pollution Control Account--State	
29	Appropriation	\$526,000
30	Agricultural College Trust Management Account	
31	Appropriation	\$1,868,000
32	Derelict Vessel Removal Account--State	
33	Appropriation	\$1,130,000
34	TOTAL APPROPRIATION	(\$254,189,000)
35		<u>\$265,523,000</u>

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

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

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

12 (3) \$24,674,000 of the general fund--state appropriation for fiscal
13 year 2004, (~~(\$8,358,000)~~) \$19,087,000 of the general fund--state
14 appropriation for fiscal year 2005, and \$7,200,000 of the disaster
15 response account--state appropriation are provided solely for emergency
16 fire suppression. These funds shall not be allocated to cover any
17 portion of agency indirect and administrative expenses. The
18 legislature finds that general fund and disaster response account
19 support for emergency fire suppression is a significant and direct
20 subsidy of the costs to administer and manage various trust lands. It
21 would be an unintended additional subsidy if a portion of the general
22 fund and disaster response account amounts provided in this subsection
23 were used to fund agency indirect and administrative expenses. To
24 avoid this unintended additional subsidy, agency indirect and
25 administrative costs shall be allocated among the agency's remaining
26 accounts and appropriations.

27 (4) \$582,000 of the aquatic lands enhancement account appropriation
28 is provided solely for spartina control.

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

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

37 (7) Authority to expend funding for acquisition of technology

1 equipment and software associated with development of a new revenue
2 management system is conditioned on compliance with section 902 of this
3 act.

4 (8) \$1,000,000 of the aquatic lands enhancement account--state
5 appropriation (~~(is)~~) and \$140,000 of the state toxics control account--
6 state appropriation are provided solely for the department to meet its
7 obligations with the U.S. environmental protection agency for the
8 clean-up of Commencement Bay.

9 (9) The department of natural resources shall provide a report to
10 the appropriate committees of the legislature, the office of financial
11 management, and the board of natural resources concerning the costs and
12 effectiveness of the contract harvesting program as authorized by
13 Second Substitute Senate Bill No. 5074 (contract harvesting), chapter
14 313, Laws of 2003. The report shall be submitted by December 31, 2006,
15 and shall include the following information:

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

25 (10) \$208,000 of the general fund--state appropriation of fiscal
26 year 2004 and \$70,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely to implement Second Substitute
28 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
29 2003.

30 (11) The department of natural resources shall not close Sahara
31 Creek facility, campground, or trailhead. The appropriations in this
32 section are deemed sufficient to provide service for these recreational
33 opportunities.

34 (12) \$4,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$4,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to compensate the forest board
37 trust for a portion of the lease to the Crescent television improvement
38 district consistent with RCW 79.12.055.

1 (13) \$2,700,000 of the general fund--state appropriation for fiscal
2 year 2004 is provided solely to the department of natural resources to
3 acquire approximately 232 acres of land and timber in Klickitat county
4 from the SDS lumber company. Expenditure of the moneys provided in
5 this subsection shall not be made until the SDS lumber company accepts
6 the land and timber acquisition as full and complete settlement of the
7 current litigation brought by the SDS lumber company against the state
8 and the litigation is dismissed, with prejudice. The land and timber
9 acquired with the funding in this subsection shall be managed for the
10 benefit of the common schools. By June 30, 2004, if the department has
11 not recovered through trust asset management the state's capital
12 investment from the land acquisition provided in this subsection, the
13 department shall seek reimbursement from the federal government.

14 (14) \$265,000 of the aquatic lands enhancement account
15 appropriation is provided solely for developing a pilot project to
16 study the feasibility of geoduck aquaculture on both intertidal and
17 subtidal lands in the state of Washington.

18 (15) \$60,000 of the general fund--state appropriation for fiscal
19 year 2004 is provided solely for habitat restoration work in the Loomis
20 natural resource area.

21 (16) \$200,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely for providing public access to camp sites
23 and trails maintained by the department. This additional funding,
24 along with existing funding from the off road vehicle account is
25 intended to fully fund current access to camp sites and trails. If
26 additional funding is required to avoid closures to camp sites and
27 trails during the 2003-05 biennium, the department shall reduce
28 expenditures for agency administration by five percent and redeploy
29 those general fund resources to the recreation program prior to closing
30 any camp sites or trails.

31 (17) \$40,000 of the aquatic lands enhancement account appropriation
32 is provided solely for the department to (a) calculate the rent for
33 DNR-leased marinas based on a percentage of a marina's income and (b)
34 recommend an appropriate formula to the 2005 legislature.

35 (18)(a) \$2,000,000 of the general fund--state appropriation for
36 fiscal year 2005, \$750,000 of the state toxics control account--state
37 appropriation, and \$2,000,000 of the aquatic lands enhancement
38 account--state appropriation are provided solely for the purpose of

1 settling *Pacific Sound Resources v. Burlington Northern Santa Fe*
 2 *Railroad, et al.* In the event: (i) A final settlement agreement is
 3 not signed by the port of Seattle, Pacific Sound Resources, and the
 4 department of natural resources by March 25, 2004; or (ii) the U.S.
 5 environmental protection agency, or the department of justice if
 6 necessary, fail to settle with the state and the department and provide
 7 a covenant not to sue and contribution protection with no additional
 8 consideration required, then \$550,000 of the general fund--state
 9 appropriation for fiscal year 2005 shall be available to use to fund
 10 the existing PSR litigation and the remainder of the amounts provided
 11 in this subsection (a) shall lapse.

12 (b) \$300,000 of the general fund--state appropriation for fiscal
 13 year 2004 is provided solely for legal defense costs in *Pacific Sound*
 14 *Resources v. Burlington Northern Santa Fe Railroad et al.*

15 **Sec. 1206.** 2004 c 276 s 308 (uncodified) is amended to read as
 16 follows:

17 **FOR THE DEPARTMENT OF AGRICULTURE**

18	General Fund--State Appropriation (FY 2004)	\$7,636,000
19	General Fund--State Appropriation (FY 2005)	((\$10,941,000))
20		<u>\$11,019,000</u>
21	General Fund--Federal Appropriation	\$10,068,000
22	General fund--Private/Local Appropriation	\$1,110,000
23	Aquatic Lands Enhancement Account--State	
24	Appropriation	((\$2,027,000))
25		<u>\$2,149,000</u>
26	Water Quality Account--State Appropriation	\$692,000
27	State Toxics Control Account--State	
28	Appropriation	\$2,780,000
29	Water Quality Permit Account--State Appropriation	\$165,000
30	TOTAL APPROPRIATION	((\$35,419,000))
31		<u>\$35,619,000</u>

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

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

4 (3) \$165,000 of the water quality permit account--state
5 appropriation and \$692,000 of the water quality account--state
6 appropriation are provided solely to implement Engrossed Substitute
7 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
8 2003.

9 (4) \$53,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$15,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to implement Engrossed Substitute
12 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

13 (5) \$42,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$287,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for animal identification, food
16 safety, and commercial feed inspection programs.

17 (6) \$150,000 of the general fund--state appropriation for fiscal
18 year 2004 is provided solely for response costs to the discovery of
19 bovine spongiform encephalopathy in a Washington dairy cow.

20 (7) \$630,000 of the general fund--state appropriation for fiscal
21 year 2005 is provided solely for the "from the heart of Washington"
22 campaign, southeast Asia/China trade representatives, domestic
23 marketing/economic development, food and agriculture industry security,
24 and for the small farm and direct marketing program.

25 (8) \$85,000 of the aquatic lands enhancement account appropriation
26 is provided solely for spartina eradication efforts in Willapa Bay and
27 Grays Harbor.

28 (9) \$330,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely to contract with Washington State
30 University for research and development activities related to asparagus
31 harvesting and automation technology.

32 (10) \$1,500,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely for the purchase of agricultural products
34 packing equipment. The department shall negotiate an appropriate
35 agreement with the agricultural industry for the use of the equipment.

36 (11) \$500,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for control of Japanese knotweed in
2 Washington state.

(End of part)

PART XIII
TRANSPORTATION

Sec. 1301. 2004 c 276 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2004)	\$20,005,000
General Fund--State Appropriation (FY 2005)	(\$18,855,000)
	<u>\$21,702,000</u>
General Fund--Federal Appropriation	(\$4,240,000)
	<u>\$4,490,000</u>
General Fund--Private/Local Appropriation	\$378,000
Death Investigations Account--State	
Appropriation	\$4,489,000
Public Safety and Education Account--State	
Appropriation	\$21,969,000
Enhanced 911 Account--State Appropriation	\$612,000
County Criminal Justice Assistance Account--State	
Appropriation	\$2,649,000
Municipal Criminal Justice Assistance Account--	
State Appropriation	\$1,087,000
Fire Service Trust Account--State	
Appropriation	\$125,000
Fire Service Training Account--State	
Appropriation	\$7,374,000
State Toxics Control Account--State	
Appropriation	\$436,000
Violence Reduction and Drug Enforcement Account--	
State Appropriation	\$286,000
Fingerprint Identification Account--State	
Appropriation	\$5,393,000
TOTAL APPROPRIATION	(\$87,898,000)
	<u>\$90,995,000</u>

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

1 (1) \$750,000 of the fire service training account--state
2 appropriation is provided solely for the implementation of Senate Bill
3 No. 5176 (fire fighting training). If the bill is not enacted by June
4 30, 2003, the amount provided in this subsection shall lapse.

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

12 (3) \$376,000 of the public safety and education account--state
13 appropriation is provided solely for additional DNA testing kits.

14 (4) \$276,000 of the fingerprint identification account--state
15 appropriation is provided solely for the implementation of Substitute
16 House Bill No. 2532 (modifying commercial driver's license provisions).
17 If the bill is not enacted by June 30, 2004, the amount provided in
18 this subsection shall lapse.

(End of part)

PART XIV
EDUCATION

Sec. 1401. 2004 c 276 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	\$11,615,000
General Fund--State Appropriation (FY 2005)	((\$11,846,000))
	<u>\$12,011,000</u>
General Fund--Federal Appropriation	((\$26,968,000))
	<u>\$28,635,000</u>
TOTAL APPROPRIATION	((\$50,429,000))
	<u>\$52,261,000</u>

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

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 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. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(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.

1 (c) \$416,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$476,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the operation and expenses of
4 the Washington professional educator standards board. Within the
5 amounts provided, the Washington professional educator standards board
6 (WPESB) shall submit a report regarding specific implementation
7 strategies to strengthen mathematics initiatives by improving teacher
8 knowledge and skill development including: (i) Teacher preparation
9 program approval standard changes; (ii) teacher certification
10 requirement changes and the development of new expertise credentials;
11 (iii) state-established standards to guide the approval of professional
12 development providers and offerings related to mathematics; and (iv)
13 other related recommendations. The WPESB shall base the
14 recommendations on determinations of the status of teacher preparation
15 and professional development opportunities and work with appropriate
16 parties. The WPESB shall submit the report to the governor,
17 superintendent of public instruction, state board of education, and the
18 education and fiscal committees of the legislature by November 1, 2004.

19 ~~(((\$130,000 of the general fund--state appropriation for fiscal~~
20 ~~year 2005 is provided solely for the implementation of Second Engrossed~~
21 ~~Substitute Senate Bill No. 5012 or Second Substitute House Bill No.~~
22 ~~2295 (charter schools). If neither bill is enacted by June 30, 2004,~~
23 ~~the amount provided in this subsection shall lapse.~~

24 ~~(e))~~ The department of social and health services, the office of
25 the superintendent of public instruction, and the department of health
26 should work together to identify opportunities for early intervention
27 and prevention activities that can help prevent disease and reduce oral
28 health issues among children. Disease prevention among infants at the
29 age of one year and among children entering the K-12 education system
30 provide cost-effective ways to avoid higher health spending later in
31 life.

32 ~~((+f))~~ (e) \$44,000 of the general fund--state appropriation for
33 fiscal year 2005 is provided solely to implement Substitute Senate Bill
34 No. 6171 (complaints against school employees) or Second Substitute
35 Senate Bill No. 5533 (disclosure of misconduct). If neither bill is
36 enacted by June 30, 2004, the amount provided in this subsection shall
37 lapse.

1 (f) \$295,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for increased attorney general fees
3 related to *School Districts' Alliance for Adequate Funding of Special*
4 *Education et al. v State of Washington et al.*, Thurston County Superior
5 Court Cause No. 04-2-02000-7.

6 (2) STATEWIDE PROGRAMS

7	General Fund--State Appropriation (FY 2004)	\$8,676,000
8	General Fund--State Appropriation (FY 2005)	\$9,885,000
9	General Fund--Federal Appropriation	(\$61,656,000)
10		<u>\$63,394,000</u>
11	TOTAL APPROPRIATION	(\$80,217,000)
12		<u>\$81,955,000</u>

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

16 (a) HEALTH AND SAFETY

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

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

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

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

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

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

21 (A) The criminal justice training commission with assistance of the
22 school safety center advisory committee established in section
23 2(b)(iii) of this section shall develop manuals and curricula for a
24 training program for all school safety personnel.

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

30 (iv) \$12,917,000 of the general fund--federal appropriation is
31 provided for safe and drug free schools and communities grants for drug
32 and violence prevention activities and strategies.

33 (v) A maximum of \$146,000 of the general fund--state appropriation
34 for fiscal year 2004 and a maximum of \$146,000 of the general fund--
35 state appropriation for fiscal year 2005 are provided for a nonviolence
36 and leadership training program provided by the institute for community
37 leadership. The program shall provide the following:

1 (A) Statewide nonviolence leadership coaches training program for
2 certification of educational employees and community members in
3 nonviolence leadership workshops;

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

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

10 (b) TECHNOLOGY

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

19 (c) GRANTS AND ALLOCATIONS

20 (i) \$16,000 of the fiscal year 2004 appropriation and \$689,000 of
21 the fiscal year 2005 appropriation are provided solely for the special
22 services pilot projects provided by Second Substitute House Bill No.
23 2012 (special services pilot program). The office of the
24 superintendent of public instruction shall allocate these funds to the
25 district or districts participating in the pilot program according to
26 the provisions of section 2 subsection (4) of Second Substitute House
27 Bill No. 2012, chapter 33, Laws of 2003.

28 (ii) A maximum of \$761,000 of the general fund--state appropriation
29 for fiscal year 2004 and a maximum of \$1,097,000 of the general fund--
30 state appropriation for fiscal year 2005 are provided for alternative
31 certification routes. Funds may be used by the professional educator
32 standards board to continue existing alternative-route grant programs
33 and to create new alternative-route programs in regions of the state
34 with service shortages.

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

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

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

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

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

19 (viii) \$500,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$500,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the Washington state achievers
22 scholarship program. The funds shall be used to support community
23 involvement officers that recruit, train, and match community volunteer
24 mentors with students selected as achievers scholars.

25 (ix) \$25,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for the school safety center advisory
27 committee to identify instructional materials and resources for
28 students, parents, and teachers that are designed to prevent the
29 abduction of children.

30 (x) \$75,000 of the general fund--state appropriation for fiscal
31 year 2005 is provided solely for deposit in the natural science,
32 wildlife, and environmental partnership account--state for the grant
33 program established in chapter 22, Laws of 2003 (ESHB 1466).

34 (xi) \$100,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely as one-time funding for the Washington
36 virtual classroom consortium administered by the Quillayute valley
37 school district.

1 (xii) \$1,650,000 of the general fund--federal appropriation is
2 provided for the advanced placement fee program to increase
3 opportunities for low-income students and under-represented populations
4 to participate in advanced placement courses and to increase the
5 capacity of schools to provide advanced placement courses to students.

6 (xiii) \$9,953,000 of the general fund--federal appropriation is
7 provided for comprehensive school reform demonstration projects to
8 provide grants to low-income schools for improving student achievement
9 through adoption and implementation of research-based curricula and
10 instructional programs.

11 (xiv) (~~(\$12,941,000)~~) \$14,679,000 of the general fund--federal
12 appropriation is provided for 21st century learning center grants,
13 providing after-school and inter-session activities for students.

14 **Sec. 1402.** 2004 c 276 s 502 (uncodified) is amended to read as
15 follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
17 **APPORTIONMENT**

18	General Fund--State Appropriation (FY 2004)	\$3,976,507,000
19	General Fund--State Appropriation (FY 2005)	((\$3,988,649,000))
20		<u>\$3,987,326,000</u>
21	TOTAL APPROPRIATION	((\$7,965,156,000))
22		<u>\$7,963,833,000</u>

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

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

28 (2) Allocations for certificated staff salaries for the 2003-04 and
29 2004-05 school years shall be determined using formula-generated staff
30 units calculated pursuant to this subsection. Staff allocations for
31 small school enrollments in (d) through (f) of this subsection shall be
32 reduced for vocational full-time equivalent enrollments. Staff
33 allocations for small school enrollments in grades K-6 shall be the
34 greater of that generated under (a) of this subsection, or under (d)
35 and (e) of this subsection. Certificated staffing allocations shall be
36 as follows:

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

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

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

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

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

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

31 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
32 excess of the amount required to maintain the statutory minimum ratio
33 established under RCW 28A.150.260(2)(b) shall be allocated only if the
34 district documents an actual ratio in grades K-4 equal to or greater
35 than 54.0 certificated instructional staff per thousand full-time
36 equivalent students in the 2003-04 school year and 53.2 certificated
37 instructional staff per thousand full-time equivalent students in the
38 2004-05 school year. For any school district documenting a lower

1 certificated instructional staff ratio, the allocation shall be based
2 on the district's actual grades K-4 certificated instructional staff
3 ratio achieved in that school year, or the statutory minimum ratio
4 established under RCW 28A.150.260(2)(b), if greater;

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

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

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

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

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

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

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

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

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

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

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

34 (e) For specified enrollments in districts enrolling more than
35 twenty-five but not more than one hundred average annual full-time
36 equivalent students in grades K-8, and for small school plants within
37 any school district which enroll more than twenty-five average annual

1 full-time equivalent students in grades K-8 and have been judged to be
2 remote and necessary by the state board of education:

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

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

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

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

18 (ii) For all other small high schools under this subsection, nine
19 certificated instructional staff units and one-half of a certificated
20 administrative staff unit for the first sixty average annual full time
21 equivalent students, and additional staff units based on a ratio of
22 0.8732 certificated instructional staff units and 0.1268 certificated
23 administrative staff units per each additional forty-three and one-half
24 average annual full time equivalent students.

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

29 (g) For each nonhigh school district having an enrollment of more
30 than seventy annual average full-time equivalent students and less than
31 one hundred eighty students, operating a grades K-8 program or a grades
32 1-8 program, an additional one-half of a certificated instructional
33 staff unit; and

34 (h) For each nonhigh school district having an enrollment of more
35 than fifty annual average full-time equivalent students and less than
36 one hundred eighty students, operating a grades K-6 program or a grades
37 1-6 program, an additional one-half of a certificated instructional
38 staff unit.

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

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

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

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

15 (4) Fringe benefit allocations shall be calculated at a rate of
16 9.68 percent in the 2003-04 school year and (~~(9.69)~~) 9.66 percent in
17 the 2004-05 school year for certificated salary allocations provided
18 under subsection (2) of this section, and a rate of 12.25 percent in
19 the 2003-04 school year and (~~(12.25)~~) 12.22 percent in the 2004-05
20 school year for classified salary allocations provided under subsection
21 (3) of this section.

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

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

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

33 (6)(a) For nonemployee-related costs associated with each
34 certificated staff unit allocated under subsection (2)(a), (b), and (d)
35 through (h) of this section, there shall be provided a maximum of
36 \$8,785 per certificated staff unit in the 2003-04 school year and a
37 maximum of \$8,855 per certificated staff unit in the 2004-05 school
38 year.

1 (b) For nonemployee-related costs associated with each vocational
2 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
3 section, there shall be provided a maximum of \$21,573 per certificated
4 staff unit in the 2003-04 school year and a maximum of \$21,746 per
5 certificated staff unit in the 2004-05 school year.

6 (c) For nonemployee-related costs associated with each vocational
7 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
8 section, there shall be provided a maximum of \$16,739 per certificated
9 staff unit in the 2003-04 school year and a maximum of \$16,873 per
10 certificated staff unit in the 2004-05 school year.

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

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

30 (9) The superintendent may distribute a maximum of \$6,385,000
31 outside the basic education formula during fiscal years 2004 and 2005
32 as follows:

33 (a) For fire protection for school districts located in a fire
34 protection district as now or hereafter established pursuant to chapter
35 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
36 and a maximum of \$499,000 may be expended in fiscal year 2005;

37 (b) For summer vocational programs at skills centers, a maximum of

1 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
2 \$2,035,000 for the 2005 fiscal year;

3 (c) A maximum of \$351,000 may be expended for school district
4 emergencies; and

5 (d) A maximum of \$485,000 each fiscal year may be expended for
6 programs providing skills training for secondary students who are
7 enrolled in extended day school-to-work programs, as approved by the
8 superintendent of public instruction. The funds shall be allocated at
9 a rate not to exceed \$500 per full-time equivalent student enrolled in
10 those programs.

11 (10) For purposes of RCW 84.52.0531, the increase per full-time
12 equivalent student is 3.4 percent from the 2002-03 school year to the
13 2003-04 school year and 2.5 percent from the 2003-04 school year to the
14 2004-05 school year.

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

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

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

29 ~~((12) \$401,000 of the general fund state appropriation for fiscal
30 year 2005 is provided solely for the implementation of Second Engrossed
31 Substitute Senate Bill No. 5012 or Second Substitute House Bill No.
32 2295 (charter schools). If neither bill is enacted by June 30, 2004,
33 the amount provided in this subsection shall lapse.))~~

34 **Sec. 1403.** 2004 c 276 s 503 (uncodified) is amended to read as
35 follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION**
37 **EMPLOYEE COMPENSATION.** (1) The following calculations determine the

1 salaries used in the general fund allocations for certificated
2 instructional, certificated administrative, and classified staff units
3 under section 502 of this act:

4 (a) Salary allocations for certificated instructional staff units
5 shall be determined for each district by multiplying the district's
6 certificated instructional total base salary shown on LEAP Document 12E
7 by the district's average staff mix factor for certificated
8 instructional staff in that school year, computed using LEAP Document
9 1Sa for the 2003-04 school year and LEAP Document 1Sb for the 2004-05
10 school year; and

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

15 (2) For the purposes of this section:

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

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

26 (c) "LEAP Document 12E" means the computerized tabulation of 2003-
27 04 and 2004-05 school year salary allocations for certificated
28 administrative staff and classified staff and derived and total base
29 salaries for certificated instructional staff as developed by the
30 legislative evaluation and accountability program committee on March
31 31, 2003, at 09:06 hours.

32 (3) Incremental fringe benefit factors shall be applied to salary
33 adjustments at a rate of 9.04 percent for school year 2003-04 and
34 ((9.05)) 9.02 percent for school year 2004-05 for certificated staff
35 and for classified staff 8.75 percent for school year 2003-04 and
36 ((8.75)) 8.72 percent for the 2004-05 school year.

37 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary

1 allocation schedules for certificated instructional staff are
 2 established for basic education salary allocations:

3 K-12 Salary Allocation Schedule For Certificated Instructional Staff
 4 2003-04 School Year

5 Years of										MA+90
6 Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45		or PHD
7										
8 0	29,149	29,936	30,752	31,568	34,192	35,881	34,947	37,570		39,262
9 1	29,540	30,339	31,165	32,019	34,669	36,350	35,335	37,985		39,665
10 2	30,060	30,870	31,709	32,633	35,289	36,995	35,901	38,556		40,262
11 3	30,747	31,574	32,429	33,392	36,069	37,833	36,630	39,306		41,071
12 4	31,285	32,151	33,017	34,018	36,724	38,510	37,208	39,914		41,701
13 5	31,840	32,716	33,594	34,655	37,365	39,196	37,798	40,509		42,340
14 6	32,251	33,108	34,016	35,131	37,827	39,667	38,213	40,910		42,750
15 7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934		43,836
16 8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202		45,172
17 9		36,272	37,266	38,591	41,443	43,481	41,656	44,510		46,548
18 10			38,477	39,898	42,788	44,894	42,964	45,855		47,960
19 11				41,243	44,196	46,344	44,309	47,263		49,410
20 12				42,545	45,642	47,854	45,707	48,708		50,921
21 13					47,123	49,401	47,154	50,189		52,467
22 14					48,611	51,006	48,644	51,775		54,073
23 15					49,876	52,333	49,908	53,121		55,479
24 16 or More					50,873	53,379	50,906	54,183		56,588

25 K-12 Salary Allocation Schedule For Certificated Instructional Staff
 26 2004-05 School Year

27 Years of										MA+90
28 Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45		or PHD
29										
30 0	30,023	30,834	31,674	32,516	35,218	36,958	35,995	38,697		40,439
31 1	30,427	31,249	32,100	32,979	35,709	37,440	36,395	39,125		40,855
32 2	30,812	31,642	32,502	33,449	36,171	37,920	36,798	39,520		41,269
33 3	31,209	32,047	32,916	33,893	36,610	38,401	37,180	39,895		41,687
34 4	31,598	32,473	33,347	34,358	37,091	38,895	37,580	40,313		42,118

1	5	32,000	32,879	33,762	34,829	37,552	39,392	37,987	40,711	42,551
2	6	32,413	33,273	34,186	35,306	38,016	39,866	38,404	41,114	42,963
3	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
4	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
5	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
6	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
7	11				41,243	44,196	46,344	44,309	47,263	49,410
8	12				42,545	45,642	47,854	45,707	48,708	50,921
9	13					47,123	49,401	47,154	50,189	52,467
10	14					48,611	51,006	48,644	51,775	54,073
11	15					49,876	52,333	49,908	53,121	55,479
12	16 or More					50,873	53,379	50,906	54,183	56,588

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

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

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

23 (5) For the purposes of this section:

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

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

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

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

29 (e) "Credits" means college quarter hour credits and equivalent in-
30 service credits computed in accordance with RCW 28A.415.020 and
31 28A.415.023.

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

- 37 (a) The employee has a masters degree; or

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

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

17 (8) The salary allocation schedules established in this section are
18 for allocation purposes only except as provided in RCW 28A.400.200(2),
19 subsection (7) of this section, and section 504(1) of this act.

20 **Sec. 1404.** 2004 c 276 s 504 (uncodified) is amended to read as
21 follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
23 **COMPENSATION ADJUSTMENTS**

24	General Fund--State Appropriation (FY 2004)	\$28,604,000
25	General Fund--State Appropriation (FY 2005)	(((\$132,202,000))
26		<u>\$132,232,000</u>
27	General Fund--Federal Appropriation	(((\$663,000))
28		<u>\$655,000</u>
29	TOTAL APPROPRIATION	(((\$161,469,000))
30		<u>\$161,491,000</u>

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

33 (1) \$8,944,000 of the general fund--state appropriation for fiscal
34 year 2004 and ~~(((\$20,339,000))~~ \$20,366,000 of the general fund--state
35 appropriation for fiscal year 2005 are provided solely to provide a
36 salary adjustment for state formula certificated instructional staff
37 units in their first seven years of service. Consistent with the

1 statewide certificated instructional staff salary allocation schedule
2 in section 503 of this act, sufficient funding is provided to increase
3 the salary of certificated instructional staff units in the 2003-04
4 school year and the 2004-05 school year by the following percentages:
5 Three percent for certificated instructional staff in their first and
6 second years of service; two and one-half percent for certificated
7 instructional staff in their third year of service; one and one-half
8 percent for certificated instructional staff in their fourth year of
9 service; one percent for certificated instructional staff in their
10 fifth year of service; and one-half of a percent for certificated
11 instructional staff in their sixth and seventh years of service. These
12 increases will take effect September 1, 2003 and September 1, 2004.

13 (a) In order to receive funding provided in this subsection, school
14 districts shall certify to the office of superintendent of public
15 instruction that they will provide the percentage increases in the
16 amounts specified in this subsection. In cases where a school district
17 providing the increases in the amounts specified in this subsection
18 would cause that school district to be out of compliance with RCW
19 28A.400.200, they may provide salary increases in different amounts but
20 only to the extent necessary to come into compliance with RCW
21 28A.400.200. Funds provided in this subsection shall be used
22 exclusively for providing the percentage increases specified in this
23 subsection to the certificated staff units in their first seven years
24 of service and shall not be used to supplant any other state or local
25 funding for compensation for these staff.

26 (b) The appropriations include associated incremental fringe
27 benefit allocations at rates of 9.04 percent for school year 2003-04
28 and (~~(9.05)~~) 9.02 percent for school year 2004-05 for certificated
29 staff. Increases for general apportionment (basic education) are based
30 on the salary allocation schedules and methodology in sections 502 and
31 503 of this act. Increases for special education result from increases
32 in each district's basic education allocation per student. Increases
33 for educational service districts and institutional education programs
34 are determined by the superintendent of public instruction using the
35 methodology for general apportionment salaries and benefits in sections
36 502 and 503 of this act.

37 (2) (~~(\$5,452,000)~~) \$5,443,000 of the general fund--state
38 appropriation is provided solely to provide a salary adjustment for

1 state formula classified units of one percent effective September 1,
2 2004, and (~~(\$126,598,000)~~) \$126,605,000 is provided solely for
3 adjustments to insurance benefit allocations.

4 (a)(i) In order to receive funding provided in this subsection for
5 salary adjustments for state formula classified units, school districts
6 shall certify to the office of superintendent of public instruction
7 that they will provide the percentage increases in the amounts
8 specified in this subsection. Funds provided in this subsection for
9 this purpose shall be used exclusively for providing the percentage
10 increases specified in this subsection to classified staff units and
11 shall not be used to supplant any other state or local funding for
12 compensation for these staff.

13 (ii) The appropriations include associated incremental fringe
14 benefit allocations at rates of (~~(8.75)~~) 8.72 percent for the 2004-05
15 school year for classified staff. The appropriations in this section
16 include the increased portion of salaries and incremental fringe
17 benefits for all relevant state-funded school programs in this part V
18 of this act. Increases for general apportionment (basic education) are
19 based on the salary allocation schedules and methodology in sections
20 502 and 503 of this act. Increases for special education result from
21 increases in each district's basic education allocation per student.
22 Increases for educational service districts and institutional education
23 programs are determined by the superintendent of public instruction
24 using the methodology for general apportionment salaries and benefits
25 in sections 502 and 503 of this act.

26 (b) The maintenance rate for insurance benefit allocations is
27 \$457.07 per month for the 2003-04 and 2004-05 school years. The
28 appropriations in this section provide for a rate increase to \$481.31
29 per month for the 2003-04 school year and \$582.47 per month for the
30 2004-05 school year.

31 (3) The appropriations in this section provide salary adjustments
32 and incremental fringe benefit allocations based on formula adjustments
33 as follows:

	School Year	
	2003-04	2004-05
Pupil Transportation (per weighted pupil mile)	\$0.00	\$0.22

1	Highly Capable (per formula student)	\$0.93	\$1.89
2	Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
3	Learning Assistance (per entitlement unit)	\$0.69	\$2.94

4 (4) The adjustments to insurance benefit allocations are at the
5 following rates:

6		School Year	
7		2003-04	2004-05
8	Pupil Transportation (per weighted pupil mile)	\$0.22	\$1.14
9	Highly Capable (per formula student)	\$1.52	\$7.72
10	Transitional Bilingual Education (per eligible bilingual student)	\$3.92	\$20.30
11	Learning Assistance (per entitlement unit)	\$3.08	\$15.95

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

14 **Sec. 1405.** 2004 c 276 s 505 (uncodified) is amended to read as
15 follows:

16	FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION		
17	General Fund--State Appropriation (FY 2004)	\$215,454,000	
18	General Fund--State Appropriation (FY 2005)	(\$219,899,000)	
19			<u>\$232,295,000</u>
20	TOTAL APPROPRIATION	(\$435,353,000)	
21			<u>\$447,749,000</u>

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

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

27 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
28 and a maximum of \$774,000 of the fiscal year 2005 appropriation may be
29 expended for regional transportation coordinators and related
30 activities. The transportation coordinators shall ensure that data
31 submitted by school districts for state transportation funding shall,
32 to the greatest extent practical, reflect the actual transportation
33 activity of each district.

1 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
2 fiscal year 2005 appropriation are provided solely for the
3 transportation of students enrolled in "choice" programs.
4 Transportation shall be limited to low-income students who are
5 transferring to "choice" programs solely for educational reasons.

6 (4) Allocations for transportation of students shall be based on
7 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school
8 year and \$39.30 per weighted mile in the 2004-05 school year exclusive
9 of salary and benefit adjustments provided in section 504 of this act.
10 Allocations for transportation of students transported more than one
11 radius mile shall be based on weighted miles as determined by
12 superintendent of public instruction multiplied by the per mile
13 reimbursement rates for the school year pursuant to the formulas
14 adopted by the superintendent of public instruction. Allocations for
15 transportation of students living within one radius mile shall be based
16 on the number of enrolled students in grades kindergarten through five
17 living within one radius mile of their assigned school multiplied by
18 the per mile reimbursement rate for the school year multiplied by 1.29.

19 (5) For busses purchased between July 1, 2003, and June 30, 2004,
20 the office of superintendent of public instruction shall provide
21 reimbursement funding to a school district only after the
22 superintendent of public instruction determines that the school bus was
23 purchased from the list established pursuant to RCW 28A.160.195(2) or
24 a comparable competitive bid process based on the lowest price quote
25 based on similar bus categories to those used to establish the list
26 pursuant to RCW 28A.160.195. The competitive specifications shall meet
27 federal motor vehicle safety standards, minimum state specifications as
28 established by rule by the superintendent, and supported options as
29 determined by the superintendent in consultation with the regional
30 transportation coordinators of the educational service districts.

31 **Sec. 1406.** 2004 c 276 s 506 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
34 **PROGRAMS**

35	General Fund--State Appropriation (FY 2004)	\$3,100,000
36	General Fund--State Appropriation (FY 2005)	\$3,100,000
37	General Fund--Federal Appropriation	((\$252,128,000))

1 268,293,000
 2 TOTAL APPROPRIATION ((~~\$258,328,000~~))
 3 \$274,493,000

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

6 (1) \$3,000,000 of the general fund--state appropriation for fiscal
 7 year 2004 and \$3,000,000 of the general fund--state appropriation for
 8 fiscal year 2005 are provided for state matching money for federal
 9 child nutrition programs.

10 (2) \$100,000 of the general fund--state appropriation for fiscal
 11 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
 12 provided for summer food programs for children in low-income areas.

13 **Sec. 1407.** 2004 c 276 s 507 (uncodified) is amended to read as
 14 follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
 16 **PROGRAMS**

17 General Fund--State Appropriation (FY 2004) \$435,061,000
 18 General Fund--State Appropriation (FY 2005) ((~~\$426,802,000~~))
 19 \$430,000,000
 20 General Fund--Federal Appropriation ((~~\$426,450,000~~))
 21 \$426,218,000
 22 TOTAL APPROPRIATION ((~~\$1,288,313,000~~))
 23 \$1,291,279,000

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

26 (1) Funding for special education programs is provided on an excess
 27 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
 28 that special education students as a class receive their full share of
 29 the general apportionment allocation accruing through sections 502 and
 30 504 of this act. To the extent a school district cannot provide an
 31 appropriate education for special education students under chapter
 32 28A.155 RCW through the general apportionment allocation, it shall
 33 provide services through the special education excess cost allocation
 34 funded in this section.

35 (2)(a) The superintendent of public instruction shall use the
 36 excess cost methodology developed and implemented for the 2001-02

1 school year using the S-275 personnel reporting system and all related
2 accounting requirements to ensure that:

3 (i) Special education students are basic education students first;
4 (ii) As a class, special education students are entitled to the
5 full basic education allocation; and

6 (iii) Special education students are basic education students for
7 the entire school day.

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

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

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

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

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

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

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

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

1 (a) "Annual average full-time equivalent basic education
2 enrollment" means the resident enrollment including students enrolled
3 through choice (RCW 28A.225.225) and students from nonhigh districts
4 (RCW 28A.225.210) and excluding students residing in another district
5 enrolled as part of an interdistrict cooperative program (RCW
6 28A.225.250).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 **Sec. 1408.** 2004 c 276 s 508 (uncodified) is amended to read as
23 follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
25 **DISTRICTS**

26	General Fund--State Appropriation (FY 2004)	\$3,538,000
27	General Fund--State Appropriation (FY 2005)	(\$3,538,000)
28		<u>\$3,537,000</u>
29	TOTAL APPROPRIATION	(\$7,076,000)
30		<u>\$7,075,000</u>

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

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

36 (2) The educational service districts, at the request of the state
37 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may

1 receive and screen applications for school accreditation, conduct
2 school accreditation site visits pursuant to state board of education
3 rules, and submit to the state board of education post-site visit
4 recommendations for school accreditation. The educational service
5 districts may assess a cooperative service fee to recover actual plus
6 reasonable indirect costs for the purposes of this subsection.

7 **Sec. 1409.** 2004 c 276 s 509 (uncodified) is amended to read as
8 follows:

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
10 **ASSISTANCE**

11	General Fund--State Appropriation (FY 2004)	\$163,049,000
12	General Fund--State Appropriation (FY 2005)	(\$165,578,000)
13		<u>\$164,860,000</u>
14	TOTAL APPROPRIATION	(\$328,627,000)
15		<u>\$327,909,000</u>

16 **Sec. 1410.** 2004 c 276 s 510 (uncodified) is amended to read as
17 follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
19 **EDUCATION PROGRAMS**

20	General Fund--State Appropriation (FY 2004)	\$18,207,000
21	General Fund--State Appropriation (FY 2005)	(\$18,176,000)
22		<u>\$18,313,000</u>
23	TOTAL APPROPRIATION	(\$36,383,000)
24		<u>\$36,520,000</u>

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

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

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

35 (3) State funding for each institutional education program shall be

1 based on the institution's annual average full-time equivalent student
2 enrollment. Staffing ratios for each category of institution shall
3 remain the same as those funded in the 1995-97 biennium.

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

7 (5) \$190,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$142,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely to maintain at least one
10 certificated instructional staff and related support services at an
11 institution whenever the K-12 enrollment is not sufficient to support
12 one full-time equivalent certificated instructional staff to furnish
13 the educational program. The following types of institutions are
14 included: Residential programs under the department of social and
15 health services for developmentally disabled juveniles, programs for
16 juveniles under the department of corrections, and programs for
17 juveniles under the juvenile rehabilitation administration.

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

20 **Sec. 1411.** 2004 c 276 s 511 (uncodified) is amended to read as
21 follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
23 **CAPABLE STUDENTS**

24	General Fund--State Appropriation (FY 2004)	\$6,620,000
25	General Fund--State Appropriation (FY 2005)	(\$6,632,000)
26		<u>\$6,683,000</u>
27	TOTAL APPROPRIATION	(\$13,252,000)
28		<u>\$13,303,000</u>

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

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

34 (2) Allocations for school district programs for highly capable
35 students shall be distributed at a maximum rate of \$334.89 per funded
36 student for the 2003-04 school year and ~~(\$334.91)~~ \$334.85 per funded
37 student for the 2004-05 school year, exclusive of salary and benefit

1 adjustments pursuant to section 504 of this act. The number of funded
2 students shall be a maximum of two percent of each district's full-time
3 equivalent basic education enrollment.

4 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
5 the fiscal year 2005 appropriation are provided for the centrum program
6 at Fort Worden state park.

7 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
8 the fiscal year 2005 appropriation are provided for the Washington
9 destination imagination network and future problem-solving programs.

10 **Sec. 1412.** 2004 c 276 s 513 (uncodified) is amended to read as
11 follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
13 **PROGRAMS**

14	General Fund--State Appropriation (FY 2004)	\$38,417,000
15	General Fund--State Appropriation (FY 2005)	(\$37,709,000)
16		<u>\$37,270,000</u>
17	General Fund--Federal Appropriation	(\$164,087,000)
18		<u>\$128,906,000</u>
19	TOTAL APPROPRIATION	(\$240,213,000)
20		<u>\$204,593,000</u>

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

23 (1) \$310,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$310,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the academic achievement and
26 accountability commission.

27 (2) \$15,486,000 of the general fund--state appropriation for fiscal
28 year 2004, \$13,103,000 of the general fund--state appropriation for
29 fiscal year 2005, and ~~(\$12,310,000)~~ \$14,009,000 of the general fund--
30 federal appropriation are provided solely for development and
31 implementation of the Washington assessments of student learning
32 (WASL), including development and implementation of retake assessments
33 for high school students who are not successful in one or more content
34 areas of the WASL, development of alternative assessments or appeals
35 procedures to implement the certificate of academic achievement, and
36 independent research on the alignment and technical review of reading,
37 writing, and science.

1 (3) \$548,000 of the fiscal year 2004 general fund--state
2 appropriation and \$548,000 of the fiscal year 2005 general fund--state
3 appropriation are provided solely for training of paraprofessional
4 classroom assistants and certificated staff who work with classroom
5 assistants as provided in RCW 28A.415.310.

6 (4) \$2,348,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$2,348,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for mentor teacher assistance,
9 including state support activities, under RCW 28A.415.250 and
10 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
11 this subsection may be used each fiscal year to operate a mentor
12 academy to help districts provide effective training for peer mentors.
13 Funds for the teacher assistance program shall be allocated to school
14 districts based on the number of first year beginning teachers.

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

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

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

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

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

37 (v) Assistance in the incorporation of the essential academic
38 learning requirements into instructional plans and in the development

1 of complex teaching strategies, including strategies to raise the
2 achievement of students with diverse learning styles and backgrounds;
3 and

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

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

13 (i) Strong collaboration among the peer mentor, the beginning
14 teacher's principal, and the beginning teacher;

15 (ii) Stipends for peer mentors and, at the option of a district,
16 for beginning teachers. The stipends shall not be deemed compensation
17 for the purposes of salary lid compliance under RCW 28A.400.200 and are
18 not subject to the continuing contract provisions of Title 28A RCW; and

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

23 (5) \$1,959,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$1,959,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for improving technology
26 infrastructure, monitoring and reporting on school district technology
27 development, promoting standards for school district technology,
28 promoting statewide coordination and planning for technology
29 development, and providing regional educational technology support
30 centers, including state support activities, under chapter 28A.650 RCW.
31 The superintendent of public instruction shall coordinate a process to
32 facilitate the evaluation and provision of online curriculum courses to
33 school districts which includes the following: Creation of a general
34 listing of the types of available online curriculum courses; a survey
35 conducted by each regional educational technology support center of
36 school districts in its region regarding the types of online curriculum
37 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 \$250,000 of the general fund--state appropriation
23 for fiscal year 2004 and a maximum of \$250,000 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, social studies, including civics,
32 and guidance and counseling.

33 (10) \$3,713,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$3,713,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the Washington reading corps
36 subject to the following conditions and limitations:

37 (a) Grants shall be allocated to schools and school districts to
38 implement proven, research-based mentoring and tutoring programs in

1 reading that may include research-based reading skills development
2 software for low-performing students in grades K-6. If the grant is
3 made to a school district, the principals of schools enrolling targeted
4 students shall be consulted concerning design and implementation of the
5 program.

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

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

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

13 (i) The program employs methods of teaching and student learning
14 based on reliable reading/literacy research and effective practices;

15 (ii) The program design is comprehensive and includes instruction,
16 on-going student assessment, professional development,
17 parental/community involvement, and program management aligned with the
18 school's reading curriculum;

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

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

23 (v) It contains an evaluation component to determine the
24 effectiveness of the program; and

25 (vi) The program may include a software-based solution to increase
26 the student/tutor ratio to a minimum of 5:1. The selected software
27 program shall be scientifically researched-based.

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

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

37 (g) Grants provided under this section may be used by schools and

1 school districts for expenditures from September 2003 through August
2 31, 2005.

3 (11) \$1,313,000 of the general fund--state appropriation for fiscal
4 year 2004 and (~~(\$2,473,000)~~) \$2,034,000 of the general fund--state
5 appropriation for fiscal year 2005 are provided solely for salary
6 bonuses for teachers who attain certification by the national board for
7 professional teaching standards, subject to the following conditions
8 and limitations:

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

13 (b) The annual bonus shall be paid in a lump sum amount and shall
14 not be included in the definition of "earnable compensation" under RCW
15 41.32.010(10).

16 (12) \$313,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$313,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for a principal support program.
19 The office of the superintendent of public instruction may contract
20 with an independent organization to administer the program. The
21 program shall include: (a) Development of an individualized
22 professional growth plan for a new principal or principal candidate;
23 and (b) participation of a mentor principal who works over a period of
24 between one and three years with the new principal or principal
25 candidate to help him or her build the skills identified as critical to
26 the success of the professional growth plan.

27 (13) \$126,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$126,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided for the development and posting of web-
30 based instructional tools, assessment data, and other information that
31 assists schools and teachers implementing higher academic standards.

32 (14) \$3,046,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$3,046,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely to the office of the
35 superintendent of public instruction for focused assistance. The
36 office of the superintendent of public instruction shall conduct
37 educational audits of low-performing schools and enter into performance
38 agreements between school districts and the office to implement the

1 recommendations of the audit and the community. Each educational audit
2 shall include recommendations for best practices and ways to address
3 identified needs and shall be presented to the community in a public
4 meeting to seek input on ways to implement the audit and its
5 recommendations.

6 (15) \$1,764,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$1,764,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for the mathematics helping corps
9 subject to the following conditions and limitations:

10 (a) In order to increase the availability and quality of technical
11 mathematics assistance statewide, the superintendent of public
12 instruction shall employ mathematics school improvement specialists to
13 provide assistance to schools and districts. The specialists shall be
14 hired by and work under the direction of a statewide school improvement
15 coordinator. The mathematics improvement specialists shall not be
16 permanent employees of the superintendent of public instruction.

17 (b) The school improvement specialists shall provide the following:

18 (i) Assistance to schools to disaggregate student performance data
19 and develop improvement plans based on those data;

20 (ii) Consultation with schools and districts concerning their
21 performance on the Washington assessment of student learning and other
22 assessments emphasizing the performance on the mathematics assessments;

23 (iii) Consultation concerning curricula that aligns with the
24 essential academic learning requirements emphasizing the academic
25 learning requirements for mathematics, the Washington assessment of
26 student learning, and meets the needs of diverse learners;

27 (iv) Assistance in the identification and implementation of
28 research-based instructional practices in mathematics;

29 (v) Staff training that emphasizes effective instructional
30 strategies and classroom-based assessment for mathematics;

31 (vi) Assistance in developing and implementing family and community
32 involvement programs emphasizing mathematics; and

33 (vii) Other assistance to schools and school districts intended to
34 improve student mathematics learning.

35 (16) \$125,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$125,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided for the Tukwila school district and the
38 Selah school district for a two-year project designed to improve the

1 districts' performance in reading and math and to close the achievement
2 gap within the district, subject to the following conditions and
3 limitations:

4 (a) Funds shall be allocated to all schools within the Tukwila
5 school district and Selah school district to implement proven,
6 research-based reading and math intervention software for low-
7 performing students in grades K-12.

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

10 (c) A program is eligible for funding if it meets the following
11 conditions:

12 (i) The program employs methods of teaching and student learning
13 based on reliable research and best practices;

14 (ii) The program design is comprehensive and includes instruction,
15 ongoing student assessment, professional development, and program
16 management aligned with the district's reading and math curriculum;

17 (iii) The program provides quality professional development and
18 training for teachers, staff, and volunteer mentors or tutors;

19 (iv) The program contains an evaluation component to determine the
20 effectiveness of the program, which will be reported to the legislature
21 and the superintendent of public instruction on an annual basis for the
22 duration of the project.

23 (d) Beginning and end-of-program testing data shall be available to
24 determine the effectiveness of funded programs and practices. Common
25 evaluative criteria across programs, such as grade-level improvements,
26 shall be available for each program.

27 (e) All materials related to the project shall be retained by the
28 district at the end of the two-year term.

29 (17) \$515,000 of the general fund--state appropriation for fiscal
30 year 2005 is provided solely for the math initiative. The office of
31 the superintendent of public instruction shall evaluate textbooks and
32 other instructional materials for math to determine the extent to which
33 they are aligned with the state standards. A scorecard of the analysis
34 shall be made available to school districts. The superintendent shall
35 also develop and disseminate information on essential components of
36 comprehensive, school-based math programs and shall work with mentor
37 teachers from around the state to develop guidelines for eligibility,
38 training, and professional development for mentor math teachers.

1 (18) (~~(\$87,901,000)~~) \$88,942,000 of the general fund--federal
2 appropriation is provided for preparing, training, and recruiting high
3 quality teachers and principals under Title II of the no child left
4 behind act.

5 (19) \$25,955,000 of the general fund--federal appropriation is
6 provided for the reading first program under Title I of the no child
7 left behind act.

8 **Sec. 1413.** 2004 c 276 s 514 (uncodified) is amended to read as
9 follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
11 **BILINGUAL PROGRAMS**

12	General Fund--State Appropriation (FY 2004)	\$50,678,000
13	General Fund--State Appropriation (FY 2005)	((\$54,050,000))
14		<u>\$54,138,000</u>
15	General Fund--Federal Appropriation (FY 2005)	\$44,544,000
16	TOTAL APPROPRIATION	((\$149,272,000))
17		<u>\$149,360,000</u>

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

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

23 (2) The superintendent shall distribute a maximum of \$725.11 per
24 eligible bilingual student in the 2003-04 school year and (~~(\$725.17)~~)
25 \$724.99 in the 2004-05 school year, exclusive of salary and benefit
26 adjustments provided in section 504 of this act.

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

32 (4) \$70,000 of the amounts appropriated in this section are
33 provided solely to develop a system for the tracking of current and
34 former transitional bilingual program students.

35 (5) The general fund--federal appropriation in this section is
36 provided for migrant education under Title I Part C and English

1 language acquisition, and language enhancement grants under Title III
2 of the elementary and secondary education act.

3 **Sec. 1414.** 2004 c 276 s 515 (uncodified) is amended to read as
4 follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
6 **ASSISTANCE PROGRAM**

7	General Fund--State Appropriation (FY 2004)	\$64,366,000
8	General Fund--State Appropriation (FY 2005)	((\$62,929,000))
9		<u>\$62,966,000</u>
10	General Fund--Federal Appropriation	((\$301,322,000))
11		<u>\$310,314,000</u>
12	TOTAL APPROPRIATION	((\$428,617,000))
13		<u>\$437,646,000</u>

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

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

19 (b) Funding for school district learning assistance programs shall
20 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
21 04 school year and ((~~\$432.53~~)) \$432.44 per funded unit for the 2004-05
22 school year exclusive of salary and benefit adjustments provided under
23 section 504 of this act.

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

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

31 (i) The district's full-time equivalent enrollment in grades K-6,
32 multiplied by the 5-year average 4th grade lowest quartile test results
33 as adjusted for funding purposes in the school years prior to 1999-
34 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
35 shall be phased into the 5-year average on a 1-year lag;

36 (ii) The district's full-time equivalent enrollment in grades 7-9,
37 multiplied by the 5-year average 8th grade lowest quartile test results

1 as adjusted for funding purposes in the school years prior to 1999-
2 2000, multiplied by 0.82. As the 6th grade test becomes available, it
3 shall be phased into the 5-year average for these grades on a 1-year
4 lag;

5 (iii) The district's full-time equivalent enrollment in grades 10-
6 11 multiplied by the 5-year average 11th grade lowest quartile test
7 results, multiplied by 0.82. As the 9th grade test becomes available,
8 it shall be phased into the 5-year average for these grades on a 1-year
9 lag;

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

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

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

31 (3) A school district may carry over from one year to the next up
32 to 10 percent of the general fund--state funds allocated under this
33 program; however, carryover funds shall be expended for the learning
34 assistance program.

35 **Sec. 1415.** 2004 c 276 s 516 (uncodified) is amended to read as
36 follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
2 **PROGRAM**

3	Student Achievement Fund--State	
4	Appropriation (FY 2004)	\$214,107,000
5	Student Achievement Fund--State	
6	Appropriation (FY 2005)	((\$195,535,000))
7		<u>\$195,512,000</u>
8	TOTAL APPROPRIATION	((\$409,642,000))
9		<u>\$409,619,000</u>

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

12 (1) Funding for school district student achievement programs shall
13 be allocated at a maximum rate of \$219.32 per FTE student for the 2003-
14 04 school year and \$254.00 per FTE student for the 2004-05 school year.
15 For the purposes of this section and in accordance with RCW 84.52.068,
16 FTE student refers to the annual average full-time equivalent
17 enrollment of the school district in grades kindergarten through twelve
18 for the prior school year.

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

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

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

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

31 (d) To provide additional professional development for educators
32 including additional paid time for curriculum and lesson redesign and
33 alignment, training to ensure that instruction is aligned with state
34 standards and student needs, reimbursement for higher education costs
35 related to enhancing teaching skills and knowledge, and mentoring
36 programs to match teachers with skilled, master teachers. The funding
37 shall not be used for salary increases or additional compensation for

1 existing teaching duties, but may be used for extended year and
2 extended day teaching contracts;

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

5 (f) To provide improvements or additions to school building
6 facilities which are directly related to the class size reductions and
7 extended learning opportunities under (a) through (c) of this
8 subsection (2).

9 (3) For the 2003-04 school year, the office of the superintendent
10 of public instruction shall distribute ten percent of the school year
11 allocation to districts each month for the months of September through
12 June. For the 2004-05 school year, the superintendent of public
13 instruction shall distribute the school year allocation according to
14 the monthly apportionment schedule defined in RCW 28A.510.250.

15 NEW SECTION. **Sec. 1416.** A new section is added to 2003 1st sp.s.
16 c 25 (uncodified) to read as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION.** (1) Appropriations
18 made in this act to the office of superintendent of public instruction
19 shall initially be allotted as required by this act. Subsequent
20 allotment modifications shall not include transfers of moneys between
21 sections of this act, except as expressly provided in subsection (2) of
22 this section.

23 (2) The appropriations to the office of superintendent of public
24 instruction in this act shall be expended for the programs and amounts
25 specified in this act. However, after May 1, 2005, unless specifically
26 prohibited by this act and after approval by the director of financial
27 management, the superintendent of public instruction may transfer state
28 general fund appropriations for fiscal year 2005 among the following
29 programs to meet the apportionment schedule for a specified formula in
30 another of these programs: General apportionment; employee
31 compensation adjustments; pupil transportation; special education
32 programs; institutional education programs; transitional bilingual
33 programs; and learning assistance programs.

34 (3) The director of financial management shall notify the

1 appropriate legislative fiscal committees in writing prior to approving
2 any allotment modifications or transfers under this section.

(End of part)

PART XV
HIGHER EDUCATION

Sec. 1501. 2004 c 276 s 603 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2004)	\$311,628,000
General Fund--State Appropriation (FY 2005)	\$325,668,000
General Fund--Private/Local Appropriation	\$300,000
((Death Investigations Account--State Appropriation	(\$261,000))
Accident Account--State Appropriation	\$5,937,000
Medical Aid Account--State Appropriation	\$5,960,000
TOTAL APPROPRIATION	(\$649,754,000)) <u>\$649,493,000</u>

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

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

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

(b) The university will establish performance measures for recruiting, retaining and graduating students, including nontraditional students, and report back to the governor and legislature by September 2004 as to its progress and future steps.

1 (2) \$150,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$150,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for research faculty clusters in
4 the advanced technology initiative program.

5 ~~(3) ((The entire death investigations account appropriation is
6 provided for the forensic pathologist fellowship program.~~

7 ~~(4))~~ \$150,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$150,000 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 UW-01.

11 ~~((5))~~ (4) \$75,000 of the general fund--state appropriation for
12 fiscal year 2004 and \$75,000 of the general fund--state appropriation
13 for fiscal year 2005 are provided solely for the Olympic natural
14 resources center.

15 ~~((6))~~ (5) \$1,526,000 of the general fund--state appropriation for
16 fiscal year 2004 and \$3,096,000 of the general fund--state
17 appropriation for fiscal year 2005 are provided solely for
18 competitively offered recruitment and retention salary adjustments for
19 instructional and research faculty, exempt professional staff, academic
20 administrators, academic librarians, counselors, teaching and research
21 assistants, as classified by the office of financial management, and
22 all other nonclassified staff, but not including employees under RCW
23 28B.16.015. Tuition revenues may be expended in addition to those
24 required by this section to further provide recruitment and retention
25 salary adjustments.

26 ~~((7))~~ (6) \$1,250,000 of the general fund--state appropriation for
27 fiscal year 2004 and \$1,250,000 of the general fund--state
28 appropriation for fiscal year 2005 are provided solely for state match
29 to attract or retain federal research grants in high demand and
30 technologically advanced fields.

31 ~~((8))~~ (7) \$300,000 of the general fund--private/local
32 appropriation is provided solely for shellfish biotoxin monitoring as
33 specified in Chapter 263, Laws of 2003 (SSB 6073, shellfish license
34 fee).

35 ~~((9))~~ (8) \$2,275,000 of the general fund--state appropriation for
36 fiscal year 2005 is provided solely for a proteomics center and an
37 autism center. Of the amount provided in this subsection, \$1,600,000
38 is provided solely for the University of Washington school of medicine

1 for recruitment of biosciences research faculty to establish a
 2 proteomics center and \$675,000 is provided solely as one-time funding
 3 to establish an autism center at the University of Washington Tacoma
 4 campus. The amount provided for the proteomics center is contingent on
 5 receipt of \$6,000,000 in one-time, nonstate matching funds. If the
 6 nonstate matching funds are not received by June 30, 2005, \$1,600,000
 7 of the amount provided in this subsection shall lapse.

8 ~~((+10+))~~ (9) \$1,897,000 of the general fund--state appropriation
 9 for fiscal year 2005 is provided solely for the training and support of
 10 primary care physicians and primary care providers through the network
 11 of family practice residency programs. All of the funding provided in
 12 this section shall be distributed directly to the family practice
 13 residency programs to assist with cost increases experienced by the
 14 programs, including the cost of medical malpractice premiums.

15 ~~((+11+))~~ (10) The University of Washington shall present a
 16 preliminary report to the fiscal committees of the legislature
 17 detailing the use of state research funds by November 1, 2004, and
 18 shall present a final report by November 1, 2005. For each research
 19 project supported by the state general fund in the 2003-05 biennium,
 20 including projects funded in the university's base budget, the report
 21 shall include: (a) A brief description of the research project; (b)
 22 the amount of state and institutional funds contributed to the project;
 23 (c) the level of federal or other sources of match received for the
 24 state's investment; and (d) any other information deemed pertinent by
 25 the institution.

26 **Sec. 1502.** 2003 1st sp.s. c 25 s 617 (uncodified) is amended to
 27 read as follows:

28 **FOR THE STATE SCHOOL FOR THE BLIND**

29	General Fund--State Appropriation (FY 2004)	\$4,614,000
30	General Fund--State Appropriation (FY 2005)	(\$4,641,000)
31		<u>\$4,656,000</u>
32	General Fund--Private/Local Appropriation	\$1,335,000
33	TOTAL APPROPRIATION	(\$10,590,000)
34		<u>\$10,605,000</u>

(End of part)

PART XVI

SPECIAL APPROPRIATIONS

Sec. 1601. 2004 c 276 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

Table with 2 columns: Description and Amount. Rows include General Fund--State Appropriation (FY 2004), General Fund--State Appropriation (FY 2005), Debt-Limit General Fund Bond Retirement Account--State Appropriation, State Building Construction Account--State Appropriation, Debt-Limit Reimbursable Bond Retirement Account--State Appropriation, State Taxable Building Construction Account--State Appropriation, Gardner-Evans Higher Education Construction Account--State Appropriation, and TOTAL APPROPRIATION.

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.

Sec. 1602. 2004 c 276 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

Table with 2 columns: Description and Amount. Row: General Fund--State Appropriation (FY 2004) \$26,394,000

1	General Fund--State Appropriation (FY 2005)	((\$24,805,000))
2		<u>\$24,605,000</u>
3	Capitol Historic District Construction	
4	Account--State Appropriation	\$323,000
5	Higher Education Construction Account--State	
6	Appropriation	\$238,000
7	State Vehicle Parking Account--State	
8	Appropriation	\$102,000
9	Nondebt-Limit Reimbursable Bond Retirement Account--	
10	State Appropriation	((\$128,375,000))
11		<u>\$126,775,000</u>
12	TOTAL APPROPRIATION	((\$180,237,000))
13		<u>\$178,437,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations: The general fund appropriation is for
16 deposit into the nondebt-limit general fund bond retirement account.

17 **Sec. 1603.** 2004 c 276 s 703 (uncodified) is amended to read as
18 follows:

19 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING**
20 **BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

21	General Fund--State Appropriation (FY 2004)	\$526,000
22	General Fund--State Appropriation (FY 2005)	\$526,000
23	Higher Education Construction Account--State	
24	Appropriation	\$35,000
25	State Building Construction Account--State	
26	Appropriation	((\$2,083,000))
27		<u>\$1,083,000</u>
28	State Vehicle Parking Account--State	
29	Appropriation	\$17,000
30	Capitol Historic District Construction	
31	Account--State Appropriation	\$45,000
32	State Taxable Building Construction Account--	
33	State Appropriation	\$60,000
34	Gardner-Evans Higher Education Construction Account--	
35	State Appropriation	\$180,000
36	TOTAL APPROPRIATION	((\$3,472,000))
37		<u>\$2,472,000</u>

1 **Sec. 1604.** 2004 c 276 s 709 (uncodified) is amended to read as
2 follows:

3 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
4 be necessary, are appropriated from the general fund, unless otherwise
5 indicated, for relief of various individuals, firms, and corporations
6 for sundry claims. These appropriations are to be disbursed on
7 vouchers approved by the director of the office of financial
8 management, except as otherwise provided, as follows:

9 (1) Reimbursement of criminal defendants acquitted on the basis of
10 self-defense, pursuant to RCW 9A.16.110:

- 11 (a) Kelly C. Schwartz, claim number SCJ 03-10 \$18,250
- 12 (b) Clinton Johnston, claim number SCJ 04-02 \$8,225
- 13 (c) Johnny Riley, claim number SCJ 04-05 \$1,500
- 14 (d) Gregory Nichols, claim number SCJ 04-06 \$3,995
- 15 (e) William Poll, claim number SCJ 04-07 \$31,106
- 16 (f) John Obert, claim number SCJ 04-09 \$15,957
- 17 (g) David McCown, claim number SCJ 04-10 \$2,900
- 18 (h) Frank Leyendekker, claim number SCJ 05-01 \$2,325
- 19 (i) Todd Richardson, claim number SCJ 05-02 \$32,934
- 20 (j) Jason Fakih, claim number SCJ 05-03 \$100,774
- 21 (k) Mickey J. Martin, claim number SCJ 05-04 \$3,187
- 22 (l) Marty Lynch, claim number SCJ 05-05 \$3,000
- 23 (m) Jeffery Shauers, claim number SCJ 05-06 \$12,734

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

- 26 (a) Circle S Landscape Supplies, claim number
- 27 SCG 03-05 \$49,380
- 28 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 29 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 30 (d) Bud Hamilton, claim number SCG 03-10 \$15,591
- 31 (e) Richard Anderson, claim number SCG 03-11 \$75,933
- 32 (f) Neil Ice, claim number SCG 03-12 \$73,474
- 33 (g) Carl Anderson, claim number SCG 03-13 \$120,943
- 34 (h) Lafe Wilson, claim number SCG 04-02 \$626
- 35 (i) Richard Anderson, claim number SCG 04-04 \$28,998
- 36 (j) Circle S Landscape, claim number SCG 04-05 \$20,000
- 37 (k) Ralland Wallace, claim number SCG 05-02 \$20,592
- 38 (l) A & A Ranches, Inc., claim number SCG 05-04 \$42,809

1	<u>(m) Roger Gibbons, claim number SCG 05-05</u>	<u>\$12,326</u>
2	<u>(n) Paul Gibbons, claim number SCG 05-06</u>	<u>\$11,242</u>

3 NEW SECTION. Sec. 1605. A new section is added to 2003 1st sp.s.
 4 c 25 (uncodified) to read as follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT**
 6 **SYSTEMS**

7	General Fund--State Appropriation (FY 2005)	-\$381,000
8	General Fund--Federal Appropriation	-\$63,000
9	General Fund--Private/Local Appropriation	-\$7,000
10	Special Account Retirement Contribution Increase	
11	Revolving Account Appropriation	-\$267,000
12	TOTAL APPROPRIATION	-\$718,000

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

15 (1) The appropriations in this section are provided solely to
 16 reduce agency and institution appropriations to reflect the 0.03
 17 percent decrease in employer contributions for the department of
 18 retirement systems administrative expense rate that was effective
 19 September 1, 2004.

20 (2) The appropriations from dedicated funds and accounts shall be
 21 made in the amounts specified and from the dedicated funds and accounts
 22 specified in LEAP document 2005-39, a computerized tabulation developed
 23 by the legislative evaluation and accountability program committee on
 24 March 18, 2005, which is hereby incorporated by reference. The office
 25 of financial management shall allocate the moneys appropriated in this
 26 section in the amounts specified and to the state agencies specified in
 27 LEAP document 2005-39, and adjust appropriation schedules accordingly.

28 NEW SECTION. Sec. 1606. A new section is added to 2003 1st sp.s.
 29 c 25 (uncodified) to read as follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PUBLIC SAFETY AND EDUCATION**
 31 **ACCOUNT**

32	General Fund--State Appropriation (FY 2005)	\$11,000,000
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33 The appropriation in this section is subject to the following
 34 conditions and limitations: The appropriation in this section is
 35 provided solely for deposit in the public safety and education account.

PART XVII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 1701. 2004 c 276 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS. For transfers in this section to the state general fund, pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer. The increase shall occur in the fiscal year in which the transfer occurs.

State Convention and Trade Center Account:	
For transfer to the state general fund	\$10,000,000
County Sale/Use Tax Equalization Account:	
For transfer to the state general fund for	
fiscal year 2004	\$74,000
Financial Services Regulation Fund: For transfer	
to the state general fund at the beginning	
of fiscal year 2005	\$7,285,000
Municipal Sale/Use Tax Equalization Account:	
For transfer to the state general fund for	
fiscal year 2004	\$374,000
Asbestos Account: For transfer to the state	
general fund	\$200,000
Electrical License Account: For transfer	
to the state general fund	\$7,000,000
Local Toxics Control Account: For transfer	
to the state toxics control account	\$4,059,000
Pressure Systems Safety Account: For transfer	
to the state general fund	\$1,000,000
Health Services Account: For transfer	
to the water quality account	\$8,182,000
State Treasurer's Service Account: For	
transfer to the general fund	\$14,000,000
Public Works Assistance Account: For	
transfer to the drinking water	
assistance account	\$8,387,000

1 Tobacco Settlement Account: For transfer
2 to the health services account, in an
3 amount not to exceed the actual balance
4 of the tobacco settlement account \$181,000,000
5 Health Service Account: For transfer
6 to the violence reduction and drug
7 enforcement account \$7,789,000
8 Nisqually Earthquake Account: For transfer to
9 the disaster response account \$6,200,000
10 Industrial Insurance Premium Refund Account:
11 For transfer to the state general fund \$577,000
12 Public Service Revolving Account: For transfer
13 to the state general fund \$1,600,000
14 State Forest Nursery Revolving Account: For transfer
15 to the state general fund, \$250,000 for fiscal
16 year 2004 and \$250,000 for fiscal year 2005 \$500,000
17 Flood Control Assistance Account: For transfer
18 to the state general fund, \$1,350,000 for
19 fiscal year 2004 and \$1,350,000 for fiscal
20 year 2005 \$2,700,000
21 Water Quality Account: For transfer to the water
22 pollution control account ((~~\$14,034,513~~))
23 \$14,000,000
24 General Fund: For transfer to the water quality
25 account, \$3,870,000 for fiscal year 2004 and
26 \$4,557,000 for fiscal year 2005 \$8,427,000
27 Insurance Commissioner's Regulatory Account:
28 For transfer to the state general fund \$2,500,000
29 Health Services Account: For transfer to the
30 tobacco prevention and control account \$23,796,000
31 From the Emergency Reserve Fund: For transfer
32 to the state general fund, not to exceed
33 the actual balance of the emergency reserve fund.
34 This transfer is intended to liquidate the
35 emergency reserve fund \$58,100,000
36 Department of Retirement Systems Expense Account:
37 For transfer to the state general fund \$5,500,000
38 Woodstove Education and Enforcement Account:

1 For transfer to the air pollution control account \$600,000
2 Multimodal Transportation Account: For transfer
3 to the air pollution control account for
4 fiscal year 2004. The amount transferred
5 shall be deposited into the segregated
6 subaccount of the air pollution control
7 account created in Engrossed Substitute
8 Senate Bill No. 6072, chapter 264, Laws of
9 2003. The state treasurer shall perform the
10 transfer from the multimodal transportation
11 account to the air pollution control subaccount
12 on a quarterly basis \$4,170,726
13 Multimodal Transportation Account: For transfer
14 to the vessel response account for fiscal
15 year 2004 \$1,213,704
16 Resource Management Cost Account: For transfer
17 to the contract harvesting revolving account \$250,000
18 Forest Development Account: For transfer to the
19 contract harvesting revolving account \$250,000
20 Site Closure Account: For transfer to the
21 state general fund \$13,800,000
22 Health Services Account: For transfer to the
23 general fund--state for fiscal year 2005 ((~~\$46,250,000~~))
24 \$296,250,000
25 K-20 Technology Account: For transfer to the state
26 general fund \$1,281
27 Gambling Revolving Fund, Nontribal Sources: For
28 transfer to the state general fund \$2,500,000
29 State Building Construction Account: For transfer
30 to the conservation assistance revolving account \$500,000
31 Wildlife Account: For transfer to the special
32 wildlife account, \$250,000 in fiscal year 2004
33 and \$250,000 in fiscal year 2005 \$500,000
34 Education Technology Revolving Account: For transfer
35 to the data processing revolving account \$296,000
36 Digital Government Revolving Account: For transfer
37 to the data processing revolving account \$154,000
38 Election Account: For transfer

1 to the state general fund \$780,000
2 Drinking Water Assistance Account: For transfer
3 to the drinking water assistance repayment
4 account, not to exceed the actual loan
5 repayments to this account \$20,000,000
6 Violence Reduction and Drug Enforcement Account:
7 For transfer to the health services account
8 in fiscal year 2005 \$250,000,000

(End of part)

PART XVIII
MISCELLANEOUS

Sec. 1801. RCW 43.185.050 and 2002 c 294 s 6 are each amended to read as follows:

(1) The department shall use moneys from the housing trust fund and other legislative appropriations to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below fifty percent of the median family income for the county or standard metropolitan statistical area where the project is located. At least thirty percent of these moneys used in any given funding cycle shall be for the benefit of projects located in rural areas of the state as defined by the department. If the department determines that it has not received an adequate number of suitable applications for rural projects during any given funding cycle, the department may allocate unused moneys for projects in nonrural areas of the state.

(2) Activities eligible for assistance from the housing trust fund and other legislative appropriations include, but are not limited to:

(a) New construction, rehabilitation, or acquisition of low and very low-income housing units;

(b) Rent subsidies;

(c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects;

(d) Technical assistance, design and finance services and consultation, and administrative costs for eligible nonprofit community or neighborhood-based organizations;

(e) Administrative costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;

(f) Shelters and related services for the homeless, including emergency shelters and overnight youth shelters;

(g) Mortgage subsidies, including temporary rental and mortgage payment subsidies to prevent homelessness;

(h) Mortgage insurance guarantee or payments for eligible projects;

1 (i) Down payment or closing cost assistance for eligible first-time
2 home buyers;

3 (j) Acquisition of housing units for the purpose of preservation as
4 low-income or very low-income housing; and

5 (k) Projects making housing more accessible to families with
6 members who have disabilities.

7 (3) Legislative appropriations from capital bond proceeds may be
8 used only for the costs of projects authorized under subsection (2)(a),
9 (i), and (j) of this section, and not for the administrative costs of
10 the department.

11 (4) Moneys from repayment of loans from appropriations from capital
12 bond proceeds may be used for all activities necessary for the proper
13 functioning of the housing assistance program except for activities
14 authorized under subsection (2)(b) and (c) of this section.

15 (5) Administrative costs of the department shall not exceed four
16 percent of the annual funds available for the housing assistance
17 program, except in fiscal year 2005 when administrative costs shall not
18 exceed five percent.

19 **Sec. 1802.** RCW 43.185.070 and 1994 sp.s. c 3 s 9 are each amended
20 to read as follows:

21 (1) During each calendar year in which funds from the housing trust
22 fund or other legislative appropriations are available for use by the
23 department for the housing assistance program, the department shall
24 announce to all known interested parties, and through major media
25 throughout the state, a grant and loan application period of at least
26 ninety days' duration. This announcement shall be made as often as the
27 director deems appropriate for proper utilization of resources. The
28 department shall then promptly grant as many applications as will
29 utilize available funds less appropriate administrative costs of the
30 department. Administrative costs paid out of the housing trust fund
31 may not exceed four percent of annual revenues available for
32 distribution to housing trust fund projects, except in fiscal year 2005
33 when administrative costs shall not exceed five percent. In awarding
34 funds under this chapter, the department shall provide for a geographic
35 distribution on a statewide basis.

36 (2) The department shall give first priority to applications for
37 projects and activities which utilize existing privately owned housing

1 stock including privately owned housing stock purchased by nonprofit
2 public development authorities and public housing authorities as
3 created in chapter 35.82 RCW. As used in this subsection, privately
4 owned housing stock includes housing that is acquired by a federal
5 agency through a default on the mortgage by the private owner. Such
6 projects and activities shall be evaluated under subsection (3) of this
7 section. Second priority shall be given to activities and projects
8 which utilize existing publicly owned housing stock. All projects and
9 activities shall be evaluated by some or all of the criteria under
10 subsection (3) of this section, and similar projects and activities
11 shall be evaluated under the same criteria.

12 (3) The department shall give preference for applications based on
13 some or all of the criteria under this subsection, and similar projects
14 and activities shall be evaluated under the same criteria:

15 (a) The degree of leveraging of other funds that will occur;

16 (b) The degree of commitment from programs to provide necessary
17 habilitation and support services for projects focusing on special
18 needs populations;

19 (c) Recipient contributions to total project costs, including
20 allied contributions from other sources such as professional, craft and
21 trade services, and lender interest rate subsidies;

22 (d) Local government project contributions in the form of
23 infrastructure improvements, and others;

24 (e) Projects that encourage ownership, management, and other
25 project-related responsibility opportunities;

26 (f) Projects that demonstrate a strong probability of serving the
27 original target group or income level for a period of at least twenty-
28 five years;

29 (g) The applicant has the demonstrated ability, stability and
30 resources to implement the project;

31 (h) Projects which demonstrate serving the greatest need;

32 (i) Projects that provide housing for persons and families with the
33 lowest incomes;

34 (j) Projects serving special needs populations which are under
35 statutory mandate to develop community housing;

36 (k) Project location and access to employment centers in the region
37 or area;

1 (1) Projects that provide employment and training opportunities for
2 disadvantaged youth under a youthbuild or youthbuild-type program as
3 defined in RCW 50.72.020; and

4 (m) Project location and access to available public transportation
5 services.

6 (4) The department shall only approve applications for projects for
7 mentally ill persons that are consistent with a regional support
8 network six-year capital and operating plan.

9 **Sec. 1803.** RCW 43.185A.030 and 1994 c 160 s 3 are each amended to
10 read as follows:

11 (1) Using moneys specifically appropriated for such purpose, the
12 department shall finance in whole or in part projects that will provide
13 housing for low-income households.

14 (2) Activities eligible for assistance include, but are not limited
15 to:

16 (a) New construction, rehabilitation, or acquisition of housing for
17 low-income households;

18 (b) Rent subsidies in new construction or rehabilitated multifamily
19 units;

20 (c) Down payment or closing costs assistance for first-time home
21 buyers;

22 (d) Mortgage subsidies for new construction or rehabilitation of
23 eligible multifamily units; and

24 (e) Mortgage insurance guarantee or payments for eligible projects.

25 (3) Legislative appropriations from capital bond proceeds may be
26 used only for the costs of projects authorized under subsection (2)
27 (a), (c), (d), and (e) of this section, and not for the administrative
28 costs of the department.

29 (4) Moneys from repayment of loans from appropriations from capital
30 bond proceeds may be used for all activities necessary for the proper
31 functioning of the affordable housing program except for activities
32 authorized under subsection (2)(b) of this section.

33 (5) Administrative costs of the department shall not exceed four
34 percent of the annual funds available for the affordable housing
35 program, except in fiscal year 2005 when administrative costs shall not
36 exceed five percent.

1 NEW SECTION. **Sec. 1804.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 1805.** Except for sections 923 and 931 of this
6 act, this act is necessary for the immediate preservation of the public
7 peace, health, or safety, or support of the state government and its
8 existing public institutions, and takes effect immediately.

9 NEW SECTION. **Sec. 1806.** Section 923 (RCW 41.50.110) of this act
10 takes effect July 1, 2006.

11 NEW SECTION. **Sec. 1807.** Section 922 (RCW 41.50.110) of this act
12 expires July 1, 2006.

13 NEW SECTION. **Sec. 1808.** Section 931 (RCW 43.135.045) of this act
14 is necessary for the immediate preservation of the public peace,
15 health, or safety, or support of the state government and its existing
16 public institutions, and takes effect June 30, 2005.

(End of part)

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ESSB 6090 - CONF REPT
 By Conference Committee

1 On page 1, line 1 of the title, after "matters;" strike the
 2 remainder of the title and insert "amending RCW 28A.160.195,
 3 28A.305.210, 28A.500.030, 28A.600.110, 28A.600.150, 28B.76.660,
 4 41.05.050, 41.05.065, 41.05.120, 41.50.110, 41.50.110, 43.07.130,
 5 43.08.190, 43.08.250, 43.10.180, 43.30.305, 43.43.944, 43.72.900,
 6 43.135.045, 50.20.190, 66.16.010, 67.40.040, 69.50.520, 70.83.040,
 7 70.93.180, 70.146.030, 70.146.080, 70.148.020, 72.11.040, 74.46.431,

1 79.64.040, 79.90.245, 86.26.007, 43.185.050, 43.185.070, and
2 43.185A.030; amending 2004 c 276 ss 106, 107, 108, 110, 111, 115, 117,
3 118, 120, 121, 123, 124, 126, 129, 131, 132, 201, 202, 203, 204, 205,
4 206, 207, 208, 209, 211, 212, 213, 214, 215, 217, 218, 219, 301, 302,
5 304, 306, 307, 308, 402, 501, 502, 503, 504, 505, 506, 507, 508, 509,
6 510, 511, 513, 514, 515, 516, 603, 701, 702, 703, 709, 802
7 (uncodified); amending 2003 1st sp.s. c 25 ss 119, 152, 617, and 706
8 (uncodified); reenacting and amending RCW 28B.102.040, 43.320.110, and
9 50.16.010; adding new sections to 2003 1st sp.s. c 25 (uncodified);
10 creating new sections; making appropriations; providing an effective
11 date; providing expiration dates; and declaring an emergency."

--- END ---