



1 **FOR THE HOUSE OF REPRESENTATIVES**

2	General Fund--State Appropriation (FY 2004) . . . . .	\$28,109,000
3	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$28,233,000)</del>
4		<u>\$28,308,000</u>
5	Department of Retirement Systems Expense Account--	
6	State Appropriation . . . . .	\$45,000
7	TOTAL APPROPRIATION . . . . .	<del>(\$56,387,000)</del>
8		<u>\$56,462,000</u>

9       The appropriations in this section are subject to the following  
10 conditions and limitations: \$25,000 of the general fund--state  
11 appropriation is provided for allocation to Project Citizen, a program  
12 of the national conference of state legislatures to promote student  
13 civic involvement.

14       **Sec. 102.** 2003 1st sp.s. c 25 s 102 (uncodified) is amended to  
15 read as follows:

16 **FOR THE SENATE**

17	General Fund--State Appropriation (FY 2004) . . . . .	\$22,001,000
18	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$23,173,000)</del>
19		<u>\$23,248,000</u>
20	Department of Retirement Systems Expense Account--	
21	State Appropriation . . . . .	\$45,000
22	TOTAL APPROPRIATION . . . . .	<del>(\$45,219,000)</del>
23		<u>\$45,294,000</u>

24       The appropriations in this section are subject to the following  
25 conditions and limitations: \$25,000 of the general fund--state  
26 appropriation is provided for allocation to Project Citizen, a program  
27 of the national conference of state legislatures to promote student  
28 civic involvement.

29       **Sec. 103.** 2003 1st sp.s. c 25 s 103 (uncodified) is amended to  
30 read as follows:

31 **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

32	General Fund--State Appropriation (FY 2004) . . . . .	\$1,627,000
33	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$1,717,000)</del>
34		<u>\$2,340,000</u>
35	<u>General Fund--Federal Appropriation (FY 2005) . . . . .</u>	<u>\$50,000</u>
36	TOTAL APPROPRIATION . . . . .	<del>(\$3,344,000)</del>

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

(1) \$250,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Engrossed Substitute House Bill No. 1869 (tax preferences). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(2) \$21,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Engrossed House Bill No. 3094 (high school skills center). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(3) \$152,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Third Engrossed Substitute House Bill No. 1053 (government accountability). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(4) \$50,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for a study of state and national trends for prevalence of developmental disabilities including autism, mental retardation, cerebral palsy, and other major developmental disabilities. The study shall include but not be limited to a review of:

(a) Epidemiological studies on the causes of developmental disabilities;

(b) On-going population-based surveillance being conducted in other states;

(c) Genetic and environmental factors that may be contributing to an increase in developmental disabilities; and

(d) Data sources specific to Washington state.

A report shall be submitted to the appropriate committees of the legislature by December 1, 2004.

(5) \$150,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for a performance review of the policies and practices of the state wildfire suppression program. The performance review shall include, but not be limited to:

(a) A review of how current fire suppression practices comply with the policies and intent of chapter 76.04 RCW.

1       (b) An examination of what factors are contributing to the recent  
2 increase in the cost of fire suppression. This examination shall  
3 include a review of changes in the use of high cost equipment and  
4 services; changes in the level of reimbursement for contractors and  
5 employees; changes in the use of permanent agency employees for fire  
6 suppression compared to the use of temporary employees, inmate labor,  
7 and contractors; and changes in other significant costs. This  
8 examination shall include an analysis of how the respective  
9 responsibilities of various state agencies, local fire districts, and  
10 federal agencies are used to determine how costs are allocated to the  
11 different responsible agencies.

12       (c) An examination of how the department of natural resources  
13 determines the proportion of fire suppression costs charged to private  
14 parties and the land owners' contingency account.

15       A final report of this performance audit shall be provided to the  
16 appropriate fiscal and policy committees of the legislature by June 30,  
17 2005.

18       (6) \$50,000 of the general fund--federal appropriation for fiscal  
19 year 2005 for state administration under Title II is provided solely  
20 for a study of state and school district expenditures for Title II.

21       **Sec. 104.** 2003 1st sp.s. c 25 s 104 (uncodified) is amended to  
22 read as follows:

23 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

24	General Fund--State Appropriation (FY 2004) . . . . .	(( \$1,656,000 ))
25		<u>\$1,631,000</u>
26	General Fund--State Appropriation (FY 2005) . . . . .	(( \$1,799,000 ))
27		<u>\$1,774,000</u>
28	TOTAL APPROPRIATION . . . . .	(( \$3,455,000 ))
29		<u>\$3,405,000</u>

30       ~~((The appropriations in this section are subject to the following~~  
31 ~~conditions and limitations: \$25,000 of the general fund state~~  
32 ~~appropriation for fiscal year 2004 and \$25,000 of the general fund~~  
33 ~~state appropriation for fiscal year 2005 are provided solely for the~~  
34 ~~legislative evaluation and accountability program committee, in~~  
35 ~~consultation with the economic and revenue forecast council, to~~  
36 ~~establish and maintain a set of economic indicators that could be used~~

1 for adjusting the statewide salary schedule by a regional cost of  
2 living index. The economic indicators to be included in this index  
3 include but are not limited to the median cost of housing.

4 (1) In developing the regional cost of living index, the  
5 legislative evaluation and accountability program committee shall  
6 collect data on the economic activity comprising the cost of living  
7 indexes for geographic areas of the state coterminous with the  
8 boundaries of the nine educational service districts established under  
9 RCW 28A.310.010.

10 (2) Not later than July 1, 2004, the legislative evaluation and  
11 accountability program committee shall submit the regional cost of  
12 living index to an advisory committee for its review. The advisory  
13 committee shall be appointed by the governor and shall consist of one  
14 member representing the office of financial management, one member  
15 representing the employment security department, one member  
16 representing the office of the superintendent of public instruction,  
17 and three representatives of the private sector having demonstrated  
18 expertise in regional economics. The advisory committee shall not  
19 receive compensation for performance of its duties but may be  
20 reimbursed for travel expenses in accordance with RCW 43.03.050 and  
21 43.03.060.

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

27 **Sec. 105.** 2003 1st sp.s. c 25 s 106 (uncodified) is amended to  
28 read as follows:

29 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

30	General Fund--State Appropriation (FY 2004) . . . . .	\$6,754,000
31	General Fund--State Appropriation (FY 2005) . . . . .	(( \$6,753,000 ))
32		<u>\$8,153,000</u>
33	TOTAL APPROPRIATION . . . . .	(( \$13,507,000 ))
34		<u>\$14,907,000</u>

35 **Sec. 106.** 2003 1st sp.s. c 25 s 109 (uncodified) is amended to  
36 read as follows:

1 **FOR THE SUPREME COURT**

2 General Fund--State Appropriation (FY 2004) . . . . . ((~~\$5,462,000~~))

3 \$5,481,000

4 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$5,665,000~~))

5 \$5,714,000

6 TOTAL APPROPRIATION . . . . . ((~~\$11,127,000~~))

7 \$11,195,000

8 **Sec. 107.** 2003 1st sp.s. c 25 s 110 (uncodified) is amended to  
 9 read as follows:

10 **FOR THE LAW LIBRARY**

11 General Fund--State Appropriation (FY 2004) . . . . . ((~~\$2,045,000~~))

12 \$2,049,000

13 General Fund--State Appropriation (FY 2005) . . . . . \$2,050,000

14 TOTAL APPROPRIATION . . . . . ((~~\$4,095,000~~))

15 \$4,099,000

16 **Sec. 108.** 2003 1st sp.s. c 25 s 111 (uncodified) is amended to  
 17 read as follows:

18 **FOR THE COURT OF APPEALS**

19 General Fund--State Appropriation (FY 2004) . . . . . ((~~\$12,510,000~~))

20 \$12,520,000

21 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$12,747,000~~))

22 \$12,886,000

23 TOTAL APPROPRIATION . . . . . ((~~\$25,257,000~~))

24 \$25,406,000

25 **Sec. 109.** 2003 1st sp.s. c 25 s 113 (uncodified) is amended to  
 26 read as follows:

27 **FOR THE ADMINISTRATOR FOR THE COURTS**

28 General Fund--State Appropriation (FY 2004) . . . . . ((~~\$17,295,000~~))

29 \$17,374,000

30 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$17,340,000~~))

31 \$18,036,000

32 Public Safety and Education Account--State

33 Appropriation . . . . . ((~~\$43,389,000~~))

34 \$43,623,000

35 Judicial Information Systems Account--State

1	Appropriation . . . . .	(( <del>\$27,903,000</del> ))
2		<u>\$31,803,000</u>
3	TOTAL APPROPRIATION . . . . .	(( <del>\$105,927,000</del> ))
4		<u>\$110,836,000</u>

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

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

11 (2) \$750,000 of the general fund--state appropriation for fiscal  
12 year 2004 and \$750,000 of the general fund--state appropriation for  
13 fiscal year 2005 are provided solely for court-appointed special  
14 advocates in dependency matters. The administrator for the courts,  
15 after consulting with the association of juvenile court administrators  
16 and the association of court-appointed special advocate/guardian ad  
17 litem programs, shall distribute the funds to volunteer court-appointed  
18 special advocate/guardian ad litem programs. The distribution of  
19 funding shall be based on the number of children who need volunteer  
20 court-appointed special advocate representation and shall be equally  
21 accessible to all volunteer court-appointed special advocate/guardian  
22 ad litem programs. The administrator for the courts shall not retain  
23 more than six percent of total funding to cover administrative or any  
24 other agency costs.

25 (3) (~~(\$12,572,000)~~) \$16,472,000 of the judicial information systems  
26 account--state appropriation is provided solely for improvements and  
27 enhancements to the judicial information system. (~~(This funding shall  
28 only be expended after the office of the administrator for the courts  
29 certifies to the office of financial management that there will be at  
30 least a \$1,000,000 ending fund balance in the judicial information  
31 systems account at the end of the 2003-05 biennium.)~~)

32 (4) \$3,000,000 of the public safety and education account--state  
33 appropriation is provided solely for school district petitions to  
34 juvenile court for truant students as provided in RCW 28A.225.030 and  
35 28A.225.035. The office of the administrator for the courts shall  
36 develop an interagency agreement with the office of the superintendent  
37 of public instruction to allocate the funding provided in this

1 subsection. Allocation of this money to school districts shall be  
2 based on the number of petitions filed.

3 (5) \$13,224,000 of the public safety and education account--state  
4 appropriation is provided solely for distribution to county juvenile  
5 court administrators to fund the costs of processing truancy, children  
6 in need of services, and at-risk youth petitions. The office of the  
7 administrator for the courts shall not retain any portion of these  
8 funds to cover administrative costs. The office of the administrator  
9 for the courts, in conjunction with the juvenile court administrators,  
10 shall develop an equitable funding distribution formula. The formula  
11 shall neither reward counties with higher than average per-petition  
12 processing costs nor shall it penalize counties with lower than average  
13 per-petition processing costs.

14 (6) The distributions made under subsection (6) of this section and  
15 distributions from the county criminal justice assistance account made  
16 pursuant to section 801 of this act constitute appropriate  
17 reimbursement for costs for any new programs or increased level of  
18 service for purposes of RCW 43.135.060.

19 (7) Each fiscal year during the 2003-05 fiscal biennium, each  
20 county shall report the number of petitions processed and the total  
21 actual costs of processing truancy, children in need of services, and  
22 at-risk youth petitions. Counties shall submit the reports to the  
23 (~~department~~) administrator for the courts no later than 45 days after  
24 the end of the fiscal year. The department shall electronically  
25 transmit this information to the chairs and ranking minority members of  
26 the house of representatives appropriations committee and the senate  
27 ways and means committee no later than 60 days after a fiscal year  
28 ends. These reports are deemed informational in nature and are not for  
29 the purpose of distributing funds.

30 (8) \$813,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$762,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for billing and related costs for  
33 the office of the administrator for the courts pursuant to Engrossed  
34 Substitute Senate Bill No. 5990 (supervision of offenders).

35 (9) \$1,800,000 of the public safety and education account  
36 appropriation is provided solely for distribution to the county clerks  
37 for the collection of legal financial obligations pursuant to Engrossed  
38 Substitute Senate Bill No. 5990 (supervision of offenders). The



1 funding shall be distributed by the office of the administrator for the  
2 courts to the county clerks in accordance with the funding formula  
3 determined by the Washington association of county officials pursuant  
4 to Engrossed Substitute Senate Bill No. 5990 (supervision of  
5 offenders).

6 **Sec. 110.** 2003 1st sp.s. c 25 s 114 (uncodified) is amended to  
7 read as follows:

8 **FOR THE OFFICE OF PUBLIC DEFENSE**

9	General Fund--State Appropriation (FY 2004) . . . . .	\$666,000
10	General Fund--State Appropriation (FY 2005) . . . . .	\$884,000
11	Public Safety and Education Account--State	
12	Appropriation . . . . .	<del>(\$12,395,000)</del>
13		<u>\$12,783,000</u>
14	TOTAL APPROPRIATION . . . . .	<del>(\$13,945,000)</del>
15		<u>\$14,333,000</u>

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

18 (1) \$51,000 of the public safety and education account  
19 appropriation is provided solely for the office of public defense's  
20 costs in implementing chapter 303, Laws of 1999 (court funding).

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

24 **Sec. 111.** 2003 1st sp.s. c 25 s 115 (uncodified) is amended to  
25 read as follows:

26 **FOR THE OFFICE OF THE GOVERNOR**

27	General Fund--State Appropriation (FY 2004) . . . . .	\$3,773,000
28	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$3,776,000)</del>
29		<u>\$4,111,000</u>
30	General Fund--Federal Appropriation . . . . .	\$1,140,000
31	Water Quality Account--State	
32	Appropriation . . . . .	\$3,854,000
33	TOTAL APPROPRIATION . . . . .	<del>(\$12,543,000)</del>
34		<u>\$12,878,000</u>

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

1       (1) \$3,854,000 of the water quality account appropriation and  
2 \$1,140,000 of the general fund--federal appropriation are provided  
3 solely for the Puget Sound water quality action team to implement the  
4 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

5       (2) \$100,000 of the general fund--state appropriation for fiscal  
6 year 2005 is provided solely for the development of kindergarten  
7 readiness guidelines, in collaboration with the office of the  
8 superintendent of public instruction.

9       **Sec. 112.** 2003 1st sp.s. c 25 s 118 (uncodified) is amended to  
10 read as follows:

11 **FOR THE SECRETARY OF STATE**

12	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$24,336,000</del> ))
13		<u>\$18,298,000</u>
14	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$17,092,000</del> ))
15		<u>\$17,672,000</u>
16	General Fund--Federal Appropriation . . . . .	\$6,967,000
17	Archives and Records Management Account--State	
18	Appropriation . . . . .	(( <del>\$8,150,000</del> ))
19		<u>\$8,414,000</u>
20	Department of Personnel Service Account--State	
21	Appropriation . . . . .	\$699,000
22	<u>Election Account--State Appropriation . . . . .</u>	<u>\$3,140,000</u>
23	Election Account--Federal Appropriation . . . . .	(( <del>\$13,121,000</del> ))
24		<u>\$33,121,000</u>
25	Local Government Archives Account--State Appropriation (( <del>\$7,067,000</del> ))	
26		<u>\$9,010,000</u>
27	TOTAL APPROPRIATION . . . . .	(( <del>\$77,432,000</del> ))
28		<u>\$97,321,000</u>

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

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

1 (2) \$1,826,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$2,686,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely for the verification of initiative  
4 and referendum petitions, maintenance of related voter registration  
5 records, and the publication and distribution of the voters and  
6 candidates pamphlet.

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

11 (4)(a) \$1,944,004 of the general fund--state appropriation for  
12 fiscal year 2004 and \$1,986,772 of the general fund--state  
13 appropriation for fiscal year 2005 are provided solely for contracting  
14 with a nonprofit organization to produce gavel-to-gavel television  
15 coverage of state government deliberations and other events of  
16 statewide significance during the 2003-05 biennium. The funding level  
17 for each year of the contract shall be based on the amount provided in  
18 this subsection. The nonprofit organization shall be required to raise  
19 contributions or commitments to make contributions, in cash or in kind,  
20 in an amount equal to forty percent of the state contribution. The  
21 office of the secretary of state may make full or partial payment once  
22 all criteria in (a) and (b) of this subsection have been satisfactorily  
23 documented.

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

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

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

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

1 Washington, or by the congress, or the adoption or rejection of any  
2 rule, standard, rate, or other legislative enactment of any state  
3 agency;

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

7 (5) (~~(\$6,038,000 of the general fund state appropriation for~~  
8 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~  
9 ~~state's share of the cost of conducting the presidential primary.)~~)  
10 \$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 archives technology architecture costs, and additional  
14 digital archives 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) \$580,000 of the general fund--state appropriation for fiscal  
28 year 2005 is provided solely to conduct voter outreach and education  
29 and to train local elections officials pursuant to new state primary  
30 election laws. If no new state primary election laws are enacted by  
31 June 30, 2004, the amount provided in this subsection shall lapse.

32 **Sec. 113.** 2003 1st sp.s. c 25 s 121 (uncodified) is amended to  
33 read as follows:

34 **FOR THE STATE TREASURER**

35 State Treasurer's Service Account--State	
36 Appropriation . . . . .	(( \$13,149,000 ))
37	<u>\$13,463,000</u>

1       **Sec. 114.** 2003 1st sp.s. c 25 s 123 (uncodified) is amended to  
2 read as follows:

3       **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

4	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$83,000</del> ))
5		<u>\$112,000</u>
6	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$157,000</del> ))
7		<u>\$192,000</u>
8	TOTAL APPROPRIATION . . . . .	(( <del>\$240,000</del> ))
9		<u>\$304,000</u>

10       **Sec. 115.** 2003 1st sp.s. c 25 s 124 (uncodified) is amended to  
11 read as follows:

12       **FOR THE ATTORNEY GENERAL**

13	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$4,057,000</del> ))
14		<u>\$4,373,000</u>
15	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$4,109,000</del> ))
16		<u>\$4,221,000</u>
17	General Fund--Federal Appropriation . . . . .	\$2,845,000
18	Public Safety and Education Account--State	
19	Appropriation . . . . .	(( <del>\$1,814,000</del> ))
20		<u>\$2,001,000</u>
21	Tobacco Prevention and Control Account--State	
22	Appropriation . . . . .	\$270,000
23	New Motor Vehicle Arbitration Account--State	
24	Appropriation . . . . .	\$1,180,000
25	Legal Services Revolving Account--State	
26	Appropriation . . . . .	(( <del>\$165,275,000</del> ))
27		<u>\$166,761,000</u>
28	TOTAL APPROPRIATION . . . . .	(( <del>\$179,550,000</del> ))
29		<u>\$181,651,000</u>

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

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

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

6 (3) \$137,000 of the legal services revolving account--state  
7 appropriation is provided solely to implement Substitute House Bill No.  
8 2396 (instream flows). If the bill is not enacted by June 30, 2004,  
9 the amount provided in this subsection shall lapse.

10 (4) \$70,000 of the legal services revolving account--state  
11 appropriation is provided solely to implement Engrossed Second  
12 Substitute House Bill No. 3026 (correctional industries). If the bill  
13 is not enacted by June 30, 2004, the amount provided in this subsection  
14 shall lapse.

15 (5) \$88,000 of the general fund--state appropriation for fiscal  
16 year 2005 is provided solely to implement Engrossed House Bill No. 2839  
17 (health care provider/actions). If the bill is not enacted by June 30,  
18 2004, the amount provided in this subsection shall lapse.

19 **Sec. 116.** 2003 1st sp.s. c 25 s 125 (uncodified) is amended to  
20 read as follows:

21 **FOR THE CASELOAD FORECAST COUNCIL**

22	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$638,000</del> ))
23		<u>\$669,000</u>
24	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$639,000</del> ))
25		<u>\$671,000</u>
26	TOTAL APPROPRIATION . . . . .	(( <del>\$1,277,000</del> ))
27		<u>\$1,340,000</u>

28 **Sec. 117.** 2003 1st sp.s. c 25 s 126 (uncodified) is amended to  
29 read as follows:

30 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

31	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$61,459,000</del> ))
32		<u>\$61,983,000</u>
33	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$60,801,000</del> ))
34		<u>\$67,286,000</u>
35	General Fund--Federal Appropriation . . . . .	(( <del>\$213,287,000</del> ))
36		<u>\$236,264,000</u>

1	General Fund--Private/Local Appropriation . . . . .	(( <del>\$10,574,000</del> ))
2		<u>\$15,075,000</u>
3	Public Safety and Education Account--State	
4	Appropriation . . . . .	\$10,095,000
5	Public Works Assistance Account--State	
6	Appropriation . . . . .	(( <del>\$1,913,000</del> ))
7		<u>\$2,113,000</u>
8	Building Code Council Account--State	
9	Appropriation . . . . .	\$1,061,000
10	Administrative Contingency Account--State	
11	Appropriation . . . . .	\$1,776,000
12	Low-Income Weatherization Assistance Account--State	
13	Appropriation . . . . .	(( <del>\$3,293,000</del> ))
14		<u>\$8,293,000</u>
15	Violence Reduction and Drug Enforcement Account--	
16	State Appropriation . . . . .	\$9,013,000
17	Manufactured Home Installation Training Account--	
18	State Appropriation . . . . .	\$256,000
19	Community Economic Development Account--	
20	State Appropriation . . . . .	(( <del>\$1,909,000</del> ))
21		<u>\$1,581,000</u>
22	Washington Housing Trust Account--State	
23	Appropriation . . . . .	\$16,740,000
24	Public Facility Construction Loan Revolving	
25	Account--State Appropriation . . . . .	\$622,000
26	Lead Paint Account--State Appropriation . . . . .	\$6,000
27	<u>Developmental Disabilities Endowment Trust Fund--State</u>	
28	<u>Appropriation . . . . .</u>	<u>\$120,000</u>
29	<u>Homeless Families Services Fund--State Appropriation . . . . .</u>	<u>\$150,000</u>
30	TOTAL APPROPRIATION . . . . .	(( <del>\$392,805,000</del> ))
31		<u>\$432,434,000</u>

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

34       (1) \$2,838,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$2,838,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided solely for a contract with the Washington  
37 technology center. For work essential to the mission of the Washington  
38 technology center and conducted in partnership with universities, the

1 center shall not pay any increased indirect rate nor increases in other  
2 indirect charges above the absolute amount paid during the 1995-97  
3 fiscal biennium.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

25 (6) \$205,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$205,000 of the general fund--state appropriation for  
27 fiscal year 2005 are provided solely for grants to Washington Columbia  
28 River Gorge counties to implement their responsibilities under the  
29 national scenic area management plan. Of this amount, \$390,000 is  
30 provided for Skamania county and \$20,000 is provided for Clark county.

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

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

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

6 (9) (~~(\$697,000)~~) \$369,000 of the community economic development  
7 account appropriation (~~(is)~~) and \$120,000 of the developmental  
8 disabilities endowment trust fund appropriation are provided solely for  
9 support of the developmental disabilities endowment governing board and  
10 costs of the endowment program. The governing board may use  
11 appropriations to implement a sliding-scale fee waiver for families  
12 earning below 150 percent of the state median family income.

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

18 (11) \$300,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$300,000 of the general fund--state appropriation for  
20 fiscal year 2005 are provided solely for the business retention and  
21 expansion program to fund contracts with locally based development  
22 organizations for local business and job retention activities.

23 (12) \$200,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$200,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely for the tourism office to market  
26 Washington state as a travel destination to northwest states,  
27 California, and British Columbia. By December 1, 2004, the department  
28 shall report to the relevant legislative policy and fiscal committees  
29 on the effectiveness of these expenditures.

30 (13) \$200,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$200,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for business development  
33 activities to conduct statewide and/or regional business recruitment  
34 and client lead generation services.

35 (14) \$60,000 of the general fund--state appropriation for fiscal  
36 year 2004 and (~~(\$60,000)~~) \$180,000 of the general fund--state  
37 appropriation for fiscal year 2005 are provided solely for the

1 community services block grant program for pass-through to community  
2 action agencies.

3 (15) \$26,862,000 of the general fund--state appropriation for  
4 fiscal year 2004 and \$26,862,000 of the general fund--state  
5 appropriation for fiscal year 2005 are provided solely for providing  
6 early childhood education assistance.

7 (16) Within the amounts appropriated in this section, funding is  
8 provided for Washington state dues for the Pacific northwest economic  
9 region.

10 (17) \$200,000 of the general fund--state appropriation for fiscal  
11 year 2004 and \$200,000 of the general fund--state appropriation for  
12 fiscal year 2005 are provided solely for the foreign offices (overseas  
13 representatives) to expand local capacity for China, expand operations  
14 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington  
15 exporters in expanding their sales opportunities.

16 (18) \$600,000 of the public safety and education account  
17 appropriation is provided solely for sexual assault prevention and  
18 treatment programs.

19 (19) \$65,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$65,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for a contract with a food  
22 distribution program for communities in the southwestern portion of the  
23 state and for workers impacted by timber and salmon fishing closures  
24 and reductions. The department may not charge administrative overhead  
25 or expenses to the funds provided in this subsection.

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

1 (21) Within amounts provided in this section, sufficient funding is  
2 provided to implement Engrossed House Bill No. 1090 (trafficking of  
3 persons).

4 (22) \$80,000 of the general fund--state appropriation for fiscal  
5 year 2005 is provided solely to develop a state plan to address how the  
6 state can improve coordination between state and local partners to  
7 substantially reduce the incidence of homelessness.

8 (23) \$75,000 of the general fund--state appropriation for fiscal  
9 year 2004 and \$425,000 of the general fund--state appropriation for  
10 fiscal year 2005 are provided solely for the purpose of supporting the  
11 base realignment and closure process. The department shall develop and  
12 implement criteria and procedures, including the types of activities  
13 that may be funded by the grants and requirements for local matching  
14 funds, for the issuance of grants to one organization within each of  
15 the following counties: Island, Kitsap, Pierce, Snohomish, and Spokane.  
16 The department shall use a portion of the funding provided to support  
17 the related activities of state agencies as identified by the office of  
18 the governor.

19 (24) \$421,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$193,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely to coordinate the state's efforts  
22 in siting the 7E7 final assembly plant.

23 (25) \$10,208,818 of the general fund--federal appropriation is  
24 provided solely for the drug control and system improvement formula  
25 grant program, to be distributed in state fiscal year 2005 as follows:

26 (a) \$3,533,522 to local units of government to continue  
27 multijurisdictional narcotics task forces;

28 (b) \$608,002 to the department to continue the drug prosecution  
29 assistance program in support of multijurisdictional narcotics task  
30 forces;

31 (c) \$1,336,624 to the Washington state patrol for coordination,  
32 investigative, and supervisory support to the multijurisdictional  
33 narcotics task forces and for methamphetamine education and response;

34 (d) \$196,130 to the department for grants to support tribal law  
35 enforcement needs;

36 (e) \$971,823 to the department of social and health services,  
37 division of alcohol and substance abuse, for drug courts in eastern and  
38 western Washington;

1 (f) \$296,697 to the department for training and technical  
2 assistance of public defenders representing clients with special needs;

3 (g) \$683,586 to the department to continue domestic violence legal  
4 advocacy;

5 (h) \$885,526 to the department of social and health services,  
6 juvenile rehabilitation administration, to continue youth violence  
7 prevention and intervention projects;

8 (i) \$59,688 to the department for community-based advocacy services  
9 to victims of violent crime, other than sexual assault and domestic  
10 violence;

11 (j) \$89,239 to the department to continue the governor's council on  
12 substance abuse;

13 (k) \$97,084 to the department to continue evaluation of Byrne  
14 formula grant programs;

15 (l) \$650,846 to the office of financial management for criminal  
16 history records improvement; and

17 (m) \$800,051 to the department for required grant administration,  
18 monitoring, and reporting on Byrne formula grant programs.

19 These amounts represent the maximum Byrne grant expenditure  
20 authority for each program. No program may expend Byrne grant funds in  
21 excess of the amounts provided in this subsection. If moneys in excess  
22 of those appropriated in this subsection become available, whether from  
23 prior or current fiscal year Byrne grant distributions, the department  
24 shall hold those moneys in reserve and may not expend them without  
25 specific appropriation. These moneys shall be carried forward and  
26 applied to the pool of moneys available for appropriation for programs  
27 and projects in the succeeding fiscal year. As part of its budget  
28 request for the succeeding year, the department shall estimate and  
29 request authority to spend any funds remaining in reserve as a result  
30 of this subsection.

31 (26) \$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.

34 (27) \$300,000 of the general fund--state appropriation for fiscal  
35 year 2005 is provided solely to implement Substitute House Bill No.  
36 3084 (national guard). If this bill is not enacted by June 30, 2004,  
37 the amount provided in this subsection shall lapse.

1 (28) \$125,000 of the general fund--state appropriation for fiscal  
2 year 2005 is provided solely for the department to:

3 (a) Conduct a survey of small and medium-sized manufacturers  
4 focused on the region of the state with the heaviest concentration of  
5 these types of manufacturers to:

6 (i) Identify common technical assistance and employee training  
7 needs; and

8 (ii) Identify acceptable means of delivering technical assistance  
9 and training to small and medium-sized manufacturers; and

10 (b) Develop a plan for delivering technical assistance and employee  
11 training services consistent with the findings of the survey.

12 The recipient of the contract funds may subcontract for the  
13 performance of the required work. The contract dollars may serve as  
14 matching funds for federal economic development grants.

15 (29) \$150,000 of the general fund--state appropriation for fiscal  
16 year 2005 is provided solely for deposit in the small business  
17 incubator account to implement the small business incubator provisions  
18 of Engrossed Substitute House Bill No. 2784 (small business incubator  
19 program). If this bill is not enacted by June 30, 2004, the amount  
20 provided in this subsection shall lapse.

21 (30) \$60,000 of the general fund--state appropriation for fiscal  
22 year 2005 is provided solely for a study under (a) through (i) of this  
23 subsection. Expenditure of this amount is contingent upon a \$60,000  
24 match from a county with a population exceeding one million. The  
25 department shall conduct a study to:

26 (a) Detail the progress in each of the buildable land counties to  
27 date in achieving annexation or incorporation of its urban growth area  
28 since adoption of the county's county-wide planning policies to the  
29 present time by documenting:

30 (i) The number of acres annexed;

31 (ii) The number of acres incorporated;

32 (iii) The number of residents annexed, incorporated, and remaining  
33 in urban unincorporated areas; and

34 (iv) The characteristic of urban land remaining unincorporated in  
35 terms of assessed value, infrastructure deficits, service needs, land  
36 use, commercial development, and residential development;

37 (b) Determine the characteristics of remaining urban unincorporated

1 areas and current statutes, and estimate when all urban unincorporated  
2 areas in each county will be annexed or incorporated, based on the rate  
3 of progress to date;

4 (c) Survey the counties to identify those obstacles which, in their  
5 experience, slow or prohibit annexation;

6 (d) Survey the cities in each of the subject counties to identify  
7 obstacles, which in their experience, slow or prohibit annexation;

8 (e) Survey residents of urban unincorporated areas in each of the  
9 subject counties to identify their attitudes towards annexation or  
10 incorporation;

11 (f) Propose possible changes to city and county taxing authority  
12 which will serve to aid the transfer of annexation of remaining urban  
13 growth areas in a timely manner;

14 (g) Identify and discuss the need for funding of capital  
15 improvement projects needed to provide urban levels of service;

16 (h) Assess the role and statutory authority of the boundary review  
17 board and how altering their role and authority might facilitate  
18 annexation; and

19 (i) Propose possible changes to growth management or annexation  
20 processes which will facilitate annexation.

21 The department shall report to the local government committees of  
22 the legislature no later than December 1, 2004.

23 If a county does not wish to participate in this study, the county  
24 administrative officer shall submit those intentions, in writing, to  
25 the department no later than July 1, 2004.

26 (31) \$25,000 of the general fund--state appropriation for fiscal  
27 year 2004 and \$25,000 of the general fund--state appropriation for  
28 fiscal year 2005 are provided solely for the department to conduct a  
29 study, with input from an advisory committee, on the feasibility and  
30 benefits of establishing a one-stop satellite office colocating the  
31 employment security department and the department of social and health  
32 services on community college campuses. Essential elements of the  
33 study include a strategic evaluation of services to be colocated, the  
34 appropriate location on campuses, and how to better integrate  
35 employment security department and department of social and health  
36 services programs with basic skills, workforce, and academic programs  
37 of community and technical colleges to provide more opportunities for  
38 skill improvements and employability. The advisory committee shall

1 include representation of the state board for community and technical  
2 colleges, the employment security department, and the department of  
3 social and health services. The department shall provide its findings  
4 and recommendations to the governor and appropriate committees of the  
5 legislature by December 20, 2004.

6 (32) \$3,000,000 of the general fund--state appropriation for fiscal  
7 year 2005 is provided solely for deposit in the homeless families  
8 services fund to implement Second Substitute House Bill No. 2818  
9 (homeless families services). If the bill is not enacted by June 30,  
10 2004, the amount provided in this subsection shall lapse.

11 (33) The entire homeless families services fund--state  
12 appropriation is provided solely to implement the administrative  
13 functions of Second Substitute House Bill No. 2818 (homeless families  
14 services). It is the intent of the legislature that beginning with the  
15 2005-07 biennium, the department choose a qualified contractor to  
16 administer the homeless families services fund program. If the bill is  
17 not enacted by June 30, 2004, the amount provided in this subsection  
18 shall lapse.

19 (34) \$3,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$7,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely to initiate a discussion of a  
22 proposal for a regional energy transmission corridor siting process  
23 compatible with rules established under the federal energy regulatory  
24 commission. The energy facility site evaluation council shall initiate  
25 contact with the states of Oregon, Idaho, and Montana. Discussions  
26 shall be held in conjunction with meetings of the Pacific Northwest  
27 economic region. In developing this proposal, the council shall also  
28 consult with regional organizations involved in energy issues,  
29 appropriate federal and state agencies, and interested parties involved  
30 in the development of a regional transmission organization. The  
31 council must report on the progress made toward developing a draft  
32 proposal by December 1, 2004, to the appropriate committees of the  
33 legislature.

34 **Sec. 118.** 2003 1st sp.s. c 25 s 128 (uncodified) is amended to  
35 read as follows:

36 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

37 General Fund--State Appropriation (FY 2004) . . . . . ((\$12,662,000))



1		<u>\$12,655,000</u>
2	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$12,383,000</del> ))
3		<u>\$13,666,000</u>
4	General Fund--Federal Appropriation . . . . .	(( <del>\$23,500,000</del> ))
5		<u>\$23,924,000</u>
6	Violence Reduction and Drug Enforcement	
7	Account--State Appropriation . . . . .	\$242,000
8	State Auditing Services Revolving	
9	Account--State Appropriation . . . . .	\$25,000
10	TOTAL APPROPRIATION . . . . .	(( <del>\$48,812,000</del> ))
11		<u>\$50,512,000</u>

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

14       (1) \$127,000 of the general fund--state appropriation for fiscal  
15 year 2004 and \$122,000 of the general fund--state appropriation for  
16 fiscal year 2005 are provided solely to implement Second Substitute  
17 Senate Bill No. 5694 (integrated permit system). If the bill is not  
18 enacted by June 30, 2003, the amounts provided in this subsection shall  
19 lapse.

20       (2) By November 15, 2003, the office of financial management shall  
21 report to the house of representatives committees on appropriations,  
22 capital budget, and transportation and to the senate committees on ways  
23 and means and highways and transportation on the ten general priorities  
24 of government upon which the 2005-07 biennial budgets will be  
25 structured. Each priority must include a proposed set of cross agency  
26 activities with definitions and outcome measures. For historical  
27 comparisons, the 2001-03 expenditures and 2003-05 appropriations must  
28 be restated in this format and organized by priority, activity, fund  
29 source, and agency.

30       (3) \$38,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$400,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely to implement Engrossed Substitute  
33 House Bill No. 2955 (K-12 finance task force). If this bill is not  
34 enacted by June 30, 2004, the amounts provided in this subsection shall  
35 lapse.

36       (4) \$150,000 of the general fund--state appropriation for fiscal  
37 year 2005 is provided solely to implement Engrossed Substitute House

1 Bill No. 3080 (state budgeting). If this bill is not enacted by June  
2 30, 2004, the amount provided in this subsection shall lapse.

3 (5) \$98,000 of the general fund--state appropriation for fiscal  
4 year 2005 is provided solely to implement Third Engrossed Substitute  
5 House Bill No. 1053 (government accountability). If this bill is not  
6 enacted by June 30, 2004, the amount provided in this subsection shall  
7 lapse.

8 (6) \$250,000 of the general fund--state appropriation for fiscal  
9 year 2005 is provided solely for the development of a set of  
10 sustainability indicators for the state.

11 (7)(a) \$75,000 of the general fund--state appropriation for fiscal  
12 year 2005 is provided solely for a task force on noneconomic damages.  
13 On or before October 31, 2005, the task force shall prepare a study and  
14 develop, for consideration by the legislature, a proposed plan for  
15 implementation of an advisory schedule of noneconomic damages in  
16 actions for injuries resulting from health care under chapter 7.70 RCW.  
17 Implementation of any proposed plan is contingent upon statutory  
18 authorization by the legislature.

19 (b) The task force shall develop a proposed plan for use of an  
20 advisory schedule of noneconomic damages, as defined in RCW 4.56.250,  
21 that will increase the predictability and proportionality of  
22 settlements and awards for noneconomic damages in actions for injuries  
23 resulting from health care. The task force shall consider:

24 (i) The information that can most appropriately be used to provide  
25 guidance to the trier of fact regarding noneconomic damage awards,  
26 giving consideration to past noneconomic damage awards for similar  
27 injuries, considering severity and duration of the injuries, and other  
28 factors deemed appropriate by the task force; past noneconomic damage  
29 awards for similar claims for damages; and such other information the  
30 task force finds appropriate;

31 (ii) The most appropriate format in which to present the  
32 information to the trier of fact; and

33 (iii) When and under what circumstances an advisory schedule should  
34 be utilized in alternative dispute resolution settings and presented to  
35 the trier of fact at trial.

36 (c) A proposed implementation plan shall include, at a minimum:

37 (i) The information developed under subsection (b) of this section;

1        (ii) Identification of statutory, regulatory, or court rule changes  
2 necessary to implement the advisory schedule, as well as forms or other  
3 documents necessary to implement the schedule; and

4        (iii) Identification of the time required to implement an advisory  
5 schedule authorized by the legislature.

6        (d) The task force is composed of fourteen members, as follows:

7 (i) One member from each of the two largest caucuses in the senate, to  
8 be appointed by the president of the senate, and one member from each  
9 of the two largest caucuses in the house of representatives, to be  
10 appointed by the speaker of the house of representatives; (ii) one  
11 health care ethicist; (iii) one economist; (iv) one actuary; (v) two  
12 attorneys with expertise or significant experience in medical  
13 malpractice actions, one representing the plaintiff's bar and one  
14 representing the insurance defense bar; (vi) two superior court judges;  
15 (vii) one representative of a hospital; (viii) one physician; (ix) one  
16 representative of a medical malpractice insurer; and (x) two consumers.  
17 The governor shall appoint the nonlegislative members of the task force  
18 and select a chair.

19        (e) Legislative members of the task force shall be reimbursed for  
20 travel expenses under RCW 44.04.120. Nonlegislative members of the  
21 task force shall be reimbursed for travel expenses as provided in RCW  
22 43.03.050 and 43.03.060.

23        (f) The office of financial management shall provide support to the  
24 task force with the assistance of staff from the administrative office  
25 of the courts, the house of representatives office of program research,  
26 and senate committee services.

27        (8) \$250,000 of the general fund--state appropriation for fiscal  
28 year 2005 is provided solely for the office to study land use and local  
29 government finance and make recommendations on the impact that current  
30 trends in city and county revenue sources and expenditures may have on  
31 land use decisions made by counties and cities and meeting goals of the  
32 growth management act. Among the areas to be studied: Local  
33 government revenue sources and expenditures over the past decade; the  
34 relationship between local government finances and land use decisions  
35 including commercial, residential, and industrial development;  
36 cooperation or competition of adjoining jurisdictions over land use and  
37 annexation; the relationship new development has to existing commercial  
38 and residential areas and its affect on a community's infrastructure

1 and quality of life. The study shall include recommendations for state  
2 and local government fiscal partnerships that encourage cooperation  
3 among jurisdictions to meet the goals of the growth management act, and  
4 how the state and local government fiscal structure can better meet the  
5 responsibilities of providing services to citizens and meeting the  
6 goals of the growth management act.

7 **Sec. 119.** 2003 1st sp.s. c 25 s 129 (uncodified) is amended to  
8 read as follows:

9 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

10 Administrative Hearings Revolving Account--State  
11 Appropriation . . . . . ((~~\$24,619,000~~))  
12 \$26,983,000

13 **Sec. 120.** 2003 1st sp.s. c 25 s 130 (uncodified) is amended to  
14 read as follows:

15 **FOR THE DEPARTMENT OF PERSONNEL**

16 Department of Personnel Service Account--State  
17 Appropriation . . . . . \$16,247,000  
18 Higher Education Personnel Services Account--State  
19 Appropriation . . . . . \$1,612,000  
20 TOTAL APPROPRIATION . . . . . \$17,859,000

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

23 (1) The department is authorized to enter into a financing contract  
24 for up to ((~~\$32,095,000~~)) \$38,911,000, plus necessary financing  
25 expenses and required reserves, pursuant to chapter 39.94 RCW. The  
26 contract shall be to purchase, develop, and implement a new statewide  
27 payroll system and shall be for a term of not more than twelve years.  
28 The legislature recognizes the critical nature of the human resource  
29 management system and its relationship to successful implementation of  
30 civil service reform, collective bargaining, and the ability to permit  
31 contracting out of services to the private sector. Projects of this  
32 size and complexity have many risks associated with their successful  
33 and timely completion, therefore, to help ensure project success, the  
34 department of personnel and the office of financial management shall  
35 jointly report to the legislature by January 15, 2004, on progress  
36 toward implementing the human resource management system. The report

1 shall include a description of mitigation strategies employed to  
2 address the risks related to: Business requirements not fully defined  
3 at the project outset; short time frame for system implementation; and  
4 delays experienced by other states. The report shall assess the  
5 probability of meeting the system implementation schedule and recommend  
6 contingency strategies as needed. The report shall establish the  
7 timelines, the critical path, and the dependencies for realizing each  
8 of the benefits articulated in the system feasibility study.

9 (2) The department shall coordinate with the governor's office of  
10 Indian affairs on providing one-day government to government training  
11 sessions for federal, state, local, and tribal government employees.  
12 The training sessions must cover tribal historical perspectives, legal  
13 issues, tribal sovereignty, and tribal governments. Costs of the  
14 training sessions shall be recouped through a fee charged to the  
15 participants of each session.

16 **Sec. 121.** 2003 1st sp.s. c 25 s 135 (uncodified) is amended to  
17 read as follows:

18 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**

19 Dependent Care Administrative Account--State

20	Appropriation . . . . .	\$384,000
21	Department of Retirement Systems Expense Account--	
22	State Appropriation . . . . .	(( <del>\$44,485,000</del> ))
23		<u>\$45,216,000</u>
24	TOTAL APPROPRIATION . . . . .	(( <del>\$44,869,000</del> ))
25		<u>\$45,600,000</u>

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

28 (1) \$31,000 of the retirement systems expense account appropriation  
29 is provided solely to implement House Bill No. 1519, chapter 155, Laws  
30 of 2003 (unreduced duty death survivor benefits).

31 (2) \$1,678,000 of the retirement systems expense account  
32 appropriation is provided solely to implement House Bill No. 2197,  
33 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'  
34 plan 2 board implementation).

35 (3) \$2,083,000 of the retirement systems expense account  
36 appropriation is provided solely for the support of the information

1 systems project known as the electronic document image management  
2 system.

3 (4) \$124,000 of the department of retirement systems expense  
4 account--state appropriation is provided solely to implement Senate  
5 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'  
6 retirement credit).

7 (5) \$77,000 of the department of retirement systems expense  
8 account--state appropriation is provided solely to implement Senate  
9 Bill No. 5100, chapter 32, Laws of 2003 (fallen hero survivor  
10 benefits).

11 (6) \$21,000 of the department of retirement systems expense  
12 account--state appropriation is provided solely to implement House Bill  
13 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

14 (7) \$30,000 of the department of retirement systems expense  
15 account--state appropriation is provided solely to implement House Bill  
16 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

17 (8) \$324,000 of the department of retirement systems expense  
18 account--state appropriation is provided solely to implement Substitute  
19 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

20 (9) \$125,000 of the department of retirement systems expense  
21 account--state appropriation is provided solely to implement Substitute  
22 House Bill No. 1202, chapter 293, Laws of 2003 (emergency medical  
23 technicians' retirement).

24 (10) \$188,000 of the department of retirement systems expense  
25 account--state appropriation is provided solely to implement House Bill  
26 No. 2418 (minimum disability benefits).

27 (11) \$7,000 of the department of retirement systems expense  
28 account--state appropriation is provided solely to implement House Bill  
29 No. 2419 (unreduced line-duty death benefits).

30 (12) \$5,000 of the department of retirement systems expense  
31 account--state appropriation is provided solely to implement House Bill  
32 No. 2534 (state patrol line-duty death benefits).

33 (13) \$128,000 of the department of retirement systems expense  
34 account--state appropriation is provided solely to implement House Bill  
35 No. 2538 (\$1000 minimum benefit).

36 (14) \$403,000 of the department of retirement systems expense  
37 account--state appropriation is provided solely to implement House Bill  
38 No. 2537 (public safety employees' retirement system).

1       **Sec. 122.** 2003 1st sp.s. c 25 s 137 (uncodified) is amended to  
2 read as follows:

3 **FOR THE DEPARTMENT OF REVENUE**

4	General Fund--State Appropriation (FY 2004) . . . . .	\$82,644,000
5	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$81,916,000)</del>
6		<u>\$82,241,000</u>
7	Timber Tax Distribution Account--State	
8	Appropriation . . . . .	<del>(\$5,191,000)</del>
9		<u>\$5,327,000</u>
10	Waste Education/Recycling/Litter Control--State	
11	Appropriation . . . . .	\$101,000
12	State Toxics Control Account--State	
13	Appropriation . . . . .	\$67,000
14	Oil Spill Administration Account--State	
15	Appropriation . . . . .	\$14,000
16	TOTAL APPROPRIATION . . . . .	<del>(\$169,933,000)</del>
17		<u>\$170,394,000</u>

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

20       (1) \$96,000 of the general fund--state appropriation for fiscal  
21 year 2005 is provided solely to implement House Bill No. 2436 (retired  
22 persons property tax). If the bill is not enacted by June 30, 2004,  
23 the amount provided in this subsection shall lapse.

24       (2) \$80,000 of the general fund--state appropriation for fiscal  
25 year 2005 is provided solely to implement Substitute House Bill No.  
26 2500 (streamlined sales & use tax). If the bill is not enacted by June  
27 30, 2004, the amount provided in this subsection shall lapse.

28       (3) \$149,000 of the general fund--state appropriation for fiscal  
29 year 2005 is provided solely to implement Substitute House Bill No.  
30 2531 (regional transportation investment districts). If the bill is  
31 not enacted by June 30, 2004, the amount provided in this subsection  
32 shall lapse.

33       (4) \$136,000 of the timber tax distribution account appropriation  
34 is provided solely to implement Engrossed Substitute House Bill No.  
35 2693 (taxation of timber). If the bill is not enacted by June 30,  
36 2004, the amount provided in this subsection shall lapse.

37





1	Appropriation . . . . .	(( <del>\$32,307,000</del> ))
2		\$33,209,000
3	TOTAL APPROPRIATION . . . . .	(( <del>\$32,938,000</del> ))
4		\$33,840,000

5       The appropriations in this section are subject to the following  
6 conditions and limitations: \$200,000 of the insurance commissioner's  
7 regulatory account--state appropriation is provided solely to assess  
8 conditions in liability insurance markets in Washington. The  
9 commissioner will develop and provide information to Washington  
10 businesses, insurance agents, and brokers to assist such businesses in  
11 obtaining liability insurance coverage. The commissioner will also  
12 assist such businesses in determining which Washington agents and  
13 brokers have access to authorized and surplus lines insurers writing  
14 such liability coverages. The commissioner shall provide this  
15 information in a manner that does not discriminate or favor any agent,  
16 broker, or insurer writing business directly. Nothing in this section  
17 shall impair the authority of the commissioner to activate a market  
18 assistance plan under RCW 48.22.050.

19       **Sec. 126.** 2003 1st sp.s. c 25 s 146 (uncodified) is amended to  
20 read as follows:

21       **FOR THE HORSE RACING COMMISSION**  
22       Horse Racing Commission Account--State  
23       Appropriation . . . . . \$4,609,000

24       The appropriation in this section is subject to the following  
25 conditions and limitations: During fiscal year 2005, the commission  
26 may raise license fees in excess of the fiscal growth factor as  
27 provided in RCW 43.135.055.

28       **Sec. 127.** 2003 1st sp.s. c 25 s 147 (uncodified) is amended to  
29 read as follows:

30       **FOR THE LIQUOR CONTROL BOARD**  
31       General Fund--State Appropriation (FY 2004) . . . . . \$1,454,000  
32       General Fund--State Appropriation (FY 2005) . . . . . \$1,455,000  
33       Liquor Control Board Construction and Maintenance  
34       Account--State Appropriation . . . . . \$5,717,000  
35       Liquor Revolving Account--State  
36       Appropriation . . . . . ((~~\$133,842,000~~))

1 \$135,793,000  
 2 TOTAL APPROPRIATION . . . . . ((\$142,468,000))  
 3 \$144,419,000

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

6 (1) \$2,000,000 of the liquor revolving account appropriation is  
 7 provided solely for the costs associated with (~~the completion of~~) the  
 8 merchandising business system, with priority placed on the point of  
 9 sale component of the system. Actual expenditures are limited to the  
 10 balance of funds remaining from the \$4,803,000 appropriation provided  
 11 for the merchandise business system in the 2001-03 budget.

12 (2) \$1,309,000 of the liquor revolving account appropriation is  
 13 provided solely for the costs associated with (~~purchasing merchandise~~  
 14 ~~business system software and hardware related items, and hiring system-~~  
 15 ~~related staff~~) the merchandising business system solution, with  
 16 priority placed on the point of sale component of the system. These  
 17 costs include hiring system-related staff and procuring system-related  
 18 hardware and software.

19 (3) As required under RCW 66.16.010, the liquor control board shall  
 20 add an equivalent surcharge of \$0.42 per liter on all retail sales of  
 21 spirits, excluding licensee, military and tribal sales, effective no  
 22 later than September 1, 2003. The intent of this surcharge is to raise  
 23 \$14,000,000 in additional revenue for the 2003-05 biennium. To the  
 24 extent that a lesser surcharge is sufficient to raise \$14,000,000, the  
 25 board may reduce the amount of the surcharge. The board shall remove  
 26 the surcharge once it generates \$14,000,000, but no later than June 30,  
 27 2005.

28 (4) \$875,000 of the liquor revolving account appropriation is  
 29 provided solely to implement Engrossed Second Substitute House Bill No.  
 30 2131 (Sunday sales). If the bill is not enacted by June 30, 2004, the  
 31 amount provided in this subsection shall lapse.

32 **Sec. 128.** 2003 1st sp.s. c 25 s 148 (uncodified) is amended to  
 33 read as follows:

34 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

35 Public Service Revolving Account--State  
 36 Appropriation . . . . . ((\$25,872,000))  
 37 \$26,654,000

1	Pipeline Safety Account--State	
2	Appropriation . . . . .	\$2,768,000
3	Pipeline Safety Account--Federal	
4	Appropriation . . . . .	\$1,041,000
5	TOTAL APPROPRIATION . . . . .	(( <del>\$29,681,000</del> ))
6		<u>\$30,463,000</u>

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

9       (1) The commission shall report back to the appropriate policy  
10 committees of the legislature by July 1st of 2003 and 2004 a list of  
11 authorized out-of-state travel for the preceding calendar year.

12       ((~~+3~~)) (2) \$135,000 of the public services revolving account  
13 appropriation and \$15,000 of the pipeline safety account--state  
14 appropriation are provided solely for the implementation of the  
15 commission's financial systems project. If final approval for the  
16 project is not granted by the office of financial management, the  
17 amounts provided in this subsection shall lapse.

18       ((~~+4~~)) (3) \$200,000 of the public services revolving account  
19 appropriation is provided solely for an interagency transfer to the  
20 joint legislative audit and review committee for the implementation of  
21 Engrossed Substitute House Bill No. 1013 (UTC performance audit). If  
22 the bill is not enacted by June 30, ((~~2003~~)) 2004, the amount provided  
23 in this subsection shall lapse.

24       **Sec. 129.** 2003 1st sp.s. c 25 s 150 (uncodified) is amended to  
25 read as follows:

26 **FOR THE MILITARY DEPARTMENT**

27	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$8,486,000</del> ))
28		<u>\$8,578,000</u>
29	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$8,223,000</del> ))
30		<u>\$8,466,000</u>
31	General Fund--Federal Appropriation . . . . .	(( <del>\$72,094,000</del> ))
32		<u>\$143,243,000</u>
33	General Fund--Private/Local Appropriation . . . . .	\$371,000
34	Enhanced 911 Account--State Appropriation . . . . .	\$33,955,000
35	Disaster Response Account--State Appropriation . . . . .	(( <del>\$190,000</del> ))
36		<u>\$3,472,000</u>
37	<u>Disaster Response Account--Federal Appropriation . . . . .</u>	<u>\$8,915,000</u>



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

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

15 (4) \$200,000 of the general fund--state appropriation for fiscal  
16 year 2004, \$200,000 of the general fund--state appropriation for fiscal  
17 year 2005, and (~~(\$43,555,000)~~) \$105,952,000 of the general fund--  
18 federal appropriation are provided solely for homeland security, to be  
19 distributed as follows:

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

24 (b) \$200,000 of the general fund--state appropriation for fiscal  
25 year 2004, \$200,000 of the general fund--state appropriation for fiscal  
26 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal  
27 appropriation to the department to conduct the terrorism consequence  
28 management program;

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

31 (d) (~~(\$500,000)~~) \$674,000 of the general fund--federal  
32 appropriation to the office of financial management for the citizen  
33 corps and the community emergency response teams;

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

1 (f) (~~(\$29,917,000)~~) \$89,677,000 of the general fund--federal  
2 appropriation for other anticipated homeland security needs. This  
3 amount shall not be allotted until a spending plan is approved by the  
4 governor's domestic security advisory group and the office of financial  
5 management;

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

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

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

22 **Sec. 130.** 2003 1st sp.s. c 25 s 151 (uncodified) is amended to  
23 read as follows:

24 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

25	General Fund--State Appropriation (FY 2004) . . . . .	\$2,362,000
26	General Fund--State Appropriation (FY 2005) . . . . .	( <del>(\$2,436,000)</del> )
27		<u>\$2,396,000</u>
28	Department of Personnel Service Account--State	
29	Appropriation . . . . .	\$2,542,000
30	TOTAL APPROPRIATION . . . . .	( <del>(\$7,340,000)</del> )
31		<u>\$7,300,000</u>

32 (~~The appropriations in this section are subject to the following~~  
33 ~~conditions and limitations: \$40,000 of the general fund state~~  
34 ~~appropriation for fiscal year 2005 is provided solely for the~~  
35 ~~implementation of Second Substitute Senate Bill No. 5012 (charter~~

1 ~~schools). If the bill is not enacted by June 30, 2003, the amount~~  
2 ~~provided in this subsection shall lapse.))~~

(End of part)





1 a specified purpose except as expressly provided in subsection (3)(b)  
2 of this section.

3 (b) To the extent that transfers under subsection (3)(a) of this  
4 section are insufficient to fund actual expenditures in excess of  
5 fiscal year 2004 caseload forecasts and utilization assumptions in the  
6 medical assistance, long-term care, foster care, adoption support, and  
7 child support programs, the department may transfer state moneys that  
8 are provided solely for a specified purpose after approval by the  
9 director of financial management.

10 (c) The director of financial management shall notify the  
11 appropriate fiscal committees of the senate and house of  
12 representatives in writing prior to approving any allotment  
13 modifications or transfers under this subsection.

14 (4) ((The department)) After consultation and coordination with  
15 local elected officials and community groups to assure there will be no  
16 degradation in existing services as a result of implementing the  
17 Washington medicaid integration project, the department shall report  
18 its progress to the appropriate committees of the legislature during  
19 the 2004 September committee assembly days and is authorized to develop  
20 an integrated health care program designed to slow the progression of  
21 illness and disability and better manage Medicaid expenditures for the  
22 aged and disabled population. Under this Washington medicaid  
23 integration partnership (WMIP) the department may combine and transfer  
24 such Medicaid funds appropriated under sections 204, 206, 208, and 209  
25 of this act as may be necessary to finance a unified health care plan  
26 for the WMIP program enrollment. The WMIP pilot projects shall not  
27 exceed a daily enrollment of 6,000 persons during the 2003-05 biennium.  
28 The amount of funding assigned to the pilot projects from each program  
29 may not exceed the average per capita cost assumed in this act for  
30 individuals covered by that program, actuarially adjusted for the  
31 health condition of persons enrolled in the pilot, times the number of  
32 clients enrolled in the pilot. In implementing the WMIP pilot  
33 projects, the department may: (a) Withhold from calculations of  
34 "available resources" as set forth in RCW 71.24.025 a sum equal to the  
35 capitated rate for individuals enrolled in the pilots; and (b) employ  
36 capitation financing and risk-sharing arrangements in collaboration  
37 with health care service contractors licensed by the office of the  
38 insurance commissioner and qualified to participate in both the

1 medicaid and medicare programs. The department shall conduct an  
2 evaluation of the WMIP, measuring changes in participant health  
3 outcomes, changes in patterns of service utilization, participant  
4 satisfaction, participant access to services, and the state fiscal  
5 impact.

6 **Sec. 202.** 2003 1st sp.s. c 25 s 202 (uncodified) is amended to  
7 read as follows:

8 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**  
9 **SERVICES PROGRAM**

10	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$231,566,000</del> ))
11		<u>\$219,391,000</u>
12	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$232,468,000</del> ))
13		<u>\$230,572,000</u>
14	General Fund--Federal Appropriation . . . . .	(( <del>\$416,043,000</del> ))
15		<u>\$424,102,000</u>
16	General Fund--Private/Local Appropriation . . . . .	\$400,000
17	Public Safety and Education Account--	
18	State Appropriation . . . . .	(( <del>\$23,920,000</del> ))
19		<u>\$21,476,000</u>
20	Violence Reduction and Drug Enforcement Account--	
21	State Appropriation . . . . .	(( <del>\$5,640,000</del> ))
22		<u>\$1,488,000</u>
23	TOTAL APPROPRIATION . . . . .	(( <del>\$910,037,000</del> ))
24		<u>\$897,429,000</u>

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

27 (1) \$2,271,000 of the fiscal year 2004 general fund--state  
28 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state  
29 appropriation, and \$1,584,000 of the general fund--federal  
30 appropriation are provided solely for the category of services titled  
31 "intensive family preservation services."

32 (2) \$701,000 of the general fund--state fiscal year 2004  
33 appropriation and \$701,000 of the general fund--state fiscal year 2005  
34 appropriation are provided to contract for the operation of one  
35 pediatric interim care facility. The facility shall provide  
36 residential care for up to thirteen children through two years of age.  
37 Seventy-five percent of the children served by the facility must be in

1 need of special care as a result of substance abuse by their mothers.  
2 The facility shall also provide on-site training to biological,  
3 adoptive, or foster parents. The facility shall provide at least three  
4 months of consultation and support to parents accepting placement of  
5 children from the facility. The facility may recruit new and current  
6 foster and adoptive parents for infants served by the facility. The  
7 department shall not require case management as a condition of the  
8 contract.

9 (3) \$375,000 of the general fund--state fiscal year 2004  
10 appropriation, \$375,000 of the general fund--state fiscal year 2005  
11 appropriation, and \$322,000 of the general fund--federal appropriation  
12 are provided for up to three nonfacility-based programs for the  
13 training, consultation, support, and recruitment of biological, foster,  
14 and adoptive parents of children through age three in need of special  
15 care as a result of substance abuse by their mothers, except that each  
16 program may serve up to three medically fragile nonsubstance-abuse-  
17 affected children. In selecting nonfacility-based programs, preference  
18 shall be given to programs whose federal or private funding sources  
19 have expired or that have successfully performed under the existing  
20 pediatric interim care program.

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

24 (5) \$125,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$125,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely for a foster parent retention  
27 program. This program is directed at foster parents caring for  
28 children who act out sexually.

29 (6) Within funding provided for the foster care and adoption  
30 support programs, the department shall control reimbursement decisions  
31 for foster care and adoption support cases such that the aggregate  
32 average cost per case for foster care and for adoption support does not  
33 exceed the amounts assumed in the projected caseload expenditures. The  
34 department shall adjust adoption support benefits to account for the  
35 availability of the new federal adoption support tax credit for special  
36 needs children.

37 (7) \$50,000 of the fiscal year 2004 general fund--state

1 appropriation and \$50,000 of the fiscal year 2005 general fund--state  
2 appropriation are provided solely for a street youth program in  
3 Spokane.

4 (8) \$1,500,000 of the general fund--state appropriation for fiscal  
5 year 2005 is provided solely to increase shelter and other services for  
6 victims of domestic violence provided as a part of the department's  
7 victim assistance program.

8 (9) \$100,000 of the general fund--state appropriation for fiscal  
9 year 2004, \$2,921,000 of the general fund--state appropriation for  
10 fiscal year 2005, and \$1,763,000 of the general fund--federal  
11 appropriation are provided solely to implement CAMIS user interface  
12 improvements and family team decision meetings, as a part of the  
13 department's program improvement plan implementation.

14 (10) The department shall convene regional and local department  
15 staff and community-based agency staff to develop recommended policies  
16 and protocols concerning collaborative decision making, including,  
17 contracting, referrals, and resource allocation. The department shall  
18 submit these recommendations to the governor and the appropriate  
19 committees of the legislature by December 1, 2004.

20 **Sec. 203.** 2003 1st sp.s. c 25 s 203 (uncodified) is amended to  
21 read as follows:

22 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**  
23 **REHABILITATION PROGRAM**

24	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$74,095,000</del> ))
25		<u>\$72,435,000</u>
26	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$72,697,000</del> ))
27		<u>\$70,712,000</u>
28	General Fund--Federal Appropriation . . . . .	(( <del>\$12,062,000</del> ))
29		<u>\$6,260,000</u>
30	General Fund--Private/Local Appropriation . . . . .	\$1,098,000
31	Juvenile Accountability Incentive	
32	Account--Federal Appropriation . . . . .	(( <del>\$9,139,000</del> ))
33		<u>\$7,300,000</u>
34	Violence Reduction and Drug Enforcement Account--	
35	State Appropriation . . . . .	(( <del>\$37,338,000</del> ))
36		<u>\$37,699,000</u>
37	TOTAL APPROPRIATION . . . . .	(( <del>\$206,429,000</del> ))

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

(1) \$695,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) \$6,065,000 of the violence reduction and drug enforcement account appropriation is provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) \$1,204,000 of the general fund--state appropriation for fiscal year 2004, \$1,204,000 of the general fund--state appropriation for fiscal year 2005, and \$5,262,000 of the violence reduction and drug enforcement account appropriation are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) \$2,544,000 of the violence reduction and drug enforcement account appropriation is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

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

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

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

12 ~~((8))~~ (6) \$16,000 of the violence reduction and drug enforcement  
13 account appropriation is provided solely for the evaluation of the  
14 juvenile offender co-occurring disorder pilot program (~~implemented~~  
15 ~~pursuant to subsection (7) of this section~~)).

16 ~~((9) \$900,000 of the general fund state appropriation for fiscal~~  
17 ~~year 2004 and \$900,000 of the general fund state appropriation for~~  
18 ~~fiscal year 2005 are provided solely for the continued implementation~~  
19 ~~of the juvenile violence prevention grant program established in~~  
20 ~~section 204, chapter 309, Laws of 1999.~~

21 ~~(11))~~ (7) For the purposes of a pilot project recommended by the  
22 family policy council, the juvenile rehabilitation administration shall  
23 provide a block grant, rather than categorical funding, for  
24 consolidated juvenile services, community juvenile accountability act  
25 grants, the chemically dependent disposition alternative, and the  
26 special sex offender disposition alternative to the Pierce county  
27 juvenile court. To evaluate the effect of decategorizing funding for  
28 youth services, the juvenile court shall do the following:

29 (a) Develop intermediate client outcomes according to the risk  
30 assessment tool (RAT) currently used by juvenile courts and in  
31 coordination with the juvenile rehabilitation administration and the  
32 family policy council;

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

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

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

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

10 ((~~(13)~~—\$308,000)) (8) \$158,000 of the general fund--state  
11 appropriation for fiscal year 2004 and ((~~\$875,000~~)) \$580,000 of the  
12 general fund--state appropriation for fiscal year 2005 are provided  
13 solely to reimburse counties for local juvenile disposition  
14 alternatives implemented pursuant to Senate Bill No. 5903 (juvenile  
15 offender sentencing). 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. The juvenile rehabilitation administration may adjust this  
19 funding level in the event that utilization rates of the disposition  
20 alternatives are lower than the level anticipated by the total  
21 appropriations to the juvenile rehabilitation administration in this  
22 section. If the bill is not enacted by June 30, 2003, the amounts  
23 provided in this subsection shall lapse.

24 ((~~(14)~~)) (9) \$1,416,000 of the general fund--state appropriation  
25 for fiscal year 2004 and \$1,417,000 of the general fund--state  
26 appropriation for fiscal year 2005 are provided solely for additional  
27 research-based services to the juvenile parole population, including  
28 quality control efforts to ensure appropriate implementation of  
29 research-based services. The juvenile rehabilitation administration  
30 shall consult with the Washington state institute for public policy in  
31 deciding which interventions to provide to the parole population and  
32 appropriate levels of quality control. Of the total general fund--  
33 state appropriation for fiscal year 2004, up to \$55,000 may be used for  
34 additional suicide precaution training for staff.

35 **Sec. 204.** 2003 1st sp.s. c 25 s 204 (uncodified) is amended to  
36 read as follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**  
2 **PROGRAM**

3 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

4	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$209,818,000</del> ))
5		<u>\$200,251,000</u>
6	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$211,317,000</del> ))
7		<u>\$213,519,000</u>
8	General Fund--Federal Appropriation . . . . .	(( <del>\$384,801,000</del> ))
9		<u>\$404,043,000</u>
10	General Fund--Local Appropriation . . . . .	\$1,970,000
11	TOTAL APPROPRIATION . . . . .	(( <del>\$807,906,000</del> ))
12		<u>\$819,783,000</u>

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

15 (a) Regional support networks shall use portions of the general  
16 fund--state appropriation for implementation of working agreements with  
17 the vocational rehabilitation program that will maximize the use of  
18 federal funding for vocational programs.

19 (b) From the general fund--state appropriations in this subsection,  
20 the secretary of social and health services shall assure that regional  
21 support networks reimburse the aging and disability services  
22 administration for the general fund--state cost of medicaid personal  
23 care services that enrolled regional support network consumers use  
24 because of their psychiatric disability.

25 (c) \$4,222,000 of the general fund--state appropriation for fiscal  
26 year 2004, \$4,222,000 of the general fund--state appropriation for  
27 fiscal year 2005, and \$8,444,000 of the general fund--federal  
28 appropriation are provided solely for the continued operation of  
29 community residential and support services for persons whose treatment  
30 needs constitute substantial barriers to community placement and who no  
31 longer require active psychiatric treatment at an inpatient hospital  
32 level of care, no longer meet the criteria for inpatient involuntary  
33 commitment, and have been discharged from a state psychiatric hospital.  
34 Primary responsibility and accountability for provision of appropriate  
35 community support for persons placed with these funds shall reside with  
36 the mental health program and the regional support networks, with  
37 partnership and active support from the alcohol and substance abuse  
38 division and from the aging and disability services administration.



1 The department shall continue performance-based incentive contracts to  
2 provide appropriate community support services for individuals leaving  
3 the state hospitals under this subsection. The department shall first  
4 seek to contract with regional support networks before offering a  
5 contract to any other party. The funds appropriated in this subsection  
6 shall not be considered "available resources" as defined in RCW  
7 71.24.025 and are not subject to the standard allocation formula  
8 applied in accordance with RCW 71.24.035(13)(a).

9 (d) At least \$902,000 of the federal block grant funding  
10 appropriated in this subsection shall be used for the continued  
11 operation of the mentally ill offender pilot program.

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

31 ~~((g))~~ (f) The department shall assure that each regional support  
32 network increases spending on direct client services in fiscal years  
33 2004 and 2005 by at least the same percentage as the total state,  
34 federal, and local funds allocated to the regional support network in  
35 those years exceed the amounts allocated to it in fiscal year 2003.

36 (2) INSTITUTIONAL SERVICES

37 General Fund--State Appropriation (FY 2004) . . . . . (~~(\$94,196,000)~~)  
38 \$93,933,000

1	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$92,964,000</del> ))
2		<u>\$93,435,000</u>
3	General Fund--Federal Appropriation . . . . .	(( <del>\$134,755,000</del> ))
4		<u>\$135,076,000</u>
5	General Fund--Private/Local Appropriation . . . . .	(( <del>\$26,342,000</del> ))
6		<u>\$29,118,000</u>
7	TOTAL APPROPRIATION . . . . .	(( <del>\$348,257,000</del> ))
8		<u>\$351,562,000</u>

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

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

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

17 (c) During the 2003-05 biennium, the department may not reduce the  
18 number of inpatient psychiatric hospital beds in the state hospitals  
19 below existing levels of 547 at Western State Hospital and 191 at  
20 Eastern State Hospital, until such time as there are available  
21 community resources, especially inpatient facilities, at an average  
22 cost equal to or less than the respective hospital's daily rate and the  
23 reduction receives legislative approval. In addition, residential beds  
24 in the program for adaptive living skills at Western state hospital may  
25 be closed only if the department provides sufficient resources for  
26 these patients' mental health care to the communities in which they are  
27 placed.

28 (3) CIVIL COMMITMENT

29	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$28,695,000</del> ))
30		<u>\$29,194,000</u>
31	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$32,081,000</del> ))
32		<u>\$34,551,000</u>
33	TOTAL APPROPRIATION . . . . .	(( <del>\$60,776,000</del> ))
34		<u>\$63,745,000</u>

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

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

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

26 (c) ~~\$924,000 of the general fund state appropriation for fiscal~~  
27 ~~year 2004 and \$1,429,000 of the general fund state appropriation for~~  
28 ~~fiscal year 2005 are provided solely for operational costs associated~~  
29 ~~with a less restrictive step-down placement facility located outside of~~  
30 ~~Pierce county. In selecting a site, the department is encouraged to~~  
31 ~~purchase or lease a site in an industrial area close to employment~~  
32 ~~opportunities and treatment services, in an effort to reduce operating~~  
33 ~~expenditures related to transportation and staff time)). Of the~~  
34 remaining \$255,000 per year, the department shall reimburse the  
35 affected jurisdictions for their documented costs that have been  
36 negotiated in an interagency agreement between the department and each  
37 jurisdiction, as follows:

1 (i) Up to \$125,000 per year shall be provided to Pierce county for  
2 its additional public safety costs as defined in RCW 71.09.344(2).

3 (ii) Up to \$45,000 per year shall be provided to affected  
4 jurisdictions other than Pierce county for the costs of training their  
5 law enforcement and administrative personnel as defined in RCW  
6 71.09.344(2)(a).

7 (iii) The remaining amounts are for affected jurisdictions other  
8 than Pierce county for reimbursement of their documented public safety  
9 costs as defined in RCW 71.09.344(2) (b), (c), and (d).

10 (b) \$4,000 of the general fund--state appropriation for fiscal year  
11 2004 and \$354,000 of the general fund--state appropriation for fiscal  
12 year 2005 are provided solely for mitigation costs for the city of  
13 Seattle associated with the development and occupancy of the secure  
14 community transition facility in Seattle, as described in the  
15 settlement agreement dated February 3, 2004, between the department and  
16 the city of Seattle. If *City of Seattle v. DSHS*, King County Superior  
17 Court Cause No. 03-2-37882-SEA is not dismissed with prejudice by July  
18 1, 2004, this appropriation shall lapse. If the proceeding requested  
19 by the city under RCW 71.09.342(5) is not withdrawn or dismissed with  
20 prejudice by July 1, 2004, this appropriation shall lapse.

21 (4) SPECIAL PROJECTS

22 General Fund--Federal Appropriation . . . . . \$2,082,000

23 (5) PROGRAM SUPPORT

24 General Fund--State Appropriation (FY 2004) . . . . . ((~~\$2,863,000~~))  
25 \$3,144,000

26 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$2,751,000~~))  
27 \$3,122,000

28 General Fund--Federal Appropriation . . . . . ((~~\$5,011,000~~))  
29 \$5,807,000

30 TOTAL APPROPRIATION . . . . . ((~~\$10,625,000~~))  
31 \$12,073,000

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

34 (a) \$113,000 of the general fund--state appropriation for fiscal  
35 year 2004, \$125,000 of the general fund--state appropriation for fiscal  
36 year 2005, and \$164,000 of the general fund--federal appropriation are  
37 provided solely for the institute for public policy to evaluate the

1 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter  
2 297, Laws of 1998 (commitment of mentally ill persons), and chapter  
3 334, Laws of 2001 (mental health performance audit).

4 (b) \$50,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$50,000 of the general fund--federal appropriation are  
6 provided solely for a study of the prevalence of mental illness among  
7 the state's regional support networks. The study shall examine how  
8 reasonable estimates of the prevalence of mental illness relate to the  
9 incidence of persons enrolled in medical assistance programs in each  
10 regional support network area. In conducting this study, the  
11 department shall consult with the joint legislative audit and review  
12 committee, regional support networks, community mental health  
13 providers, and mental health consumer representatives. The department  
14 shall submit a final report on its findings to the fiscal, health care,  
15 and human services committees of the legislature by November 1, 2003.

16 (c) \$100,000 of the general fund--state appropriation for fiscal  
17 year 2004 is provided solely for a study of community residential  
18 psychiatric capacity to determine specific community mental health  
19 needs, optimum treatment locations, and evaluate facility options,  
20 including operations and staffing costs. The department shall make  
21 recommendations to the appropriate committees of the legislature by  
22 November 1, 2004.

23 **Sec. 205.** 2003 1st sp.s. c 25 s 205 (uncodified) is amended to  
24 read as follows:

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**  
26 **DISABILITIES PROGRAM**

27 (1) COMMUNITY SERVICES

28 General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$262,458,000</del> ))
	<u>\$250,712,000</u>
30 General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$268,826,000</del> ))
	<u>\$271,707,000</u>
32 General Fund--Federal Appropriation . . . . .	(( <del>\$439,489,000</del> ))
	<u>\$450,614,000</u>
34 Health Services Account--State	
35 Appropriation . . . . .	(( <del>\$1,038,000</del> ))
	<u>\$885,000</u>
37 TOTAL APPROPRIATION . . . . .	(( <del>\$971,811,000</del> ))

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

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

(b) The health services account appropriation and (~~(\$1,038,000)~~) \$885,000 of the general fund--federal appropriation are provided solely for health care benefits for home care workers with family incomes below 200 percent of the federal poverty level who are employed through state contracts for twenty hours per week or more.

(i) Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan.

(ii) Home care agencies may obtain coverage either through the basic health plan or through an alternative plan with substantially equivalent benefits. It is the intent of the legislature to fund the purchase of health care benefits for agency home care providers in a more fiscally prudent manner. The legislature encourages agency providers to purchase more cost-effective health care benefits, including increasing participation in the basic health plan or purchasing substantially equivalent benefits with substantially equivalent costs.

(c) (~~(\$510,000)~~) \$587,000 of the general fund--state appropriation for fiscal year 2004, (~~(\$784,000)~~) \$2,181,000 of the general fund--state appropriation for fiscal year 2005, and (~~(\$1,225,000)~~) \$2,708,000 of the general fund--federal appropriation are provided solely for community residential and support services. Funding in this subsection shall be prioritized for (i) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those community settings; (~~and~~) (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are aging out of other state services; and (iv) current home and community-based waiver

1 program clients who have been assessed as having an immediate need for  
2 increased services. The department shall ensure that the average cost  
3 per day for all program services other than start-up costs shall not  
4 exceed \$300. In order to maximize the number of clients served and  
5 ensure the cost-effectiveness of the waiver programs, the department  
6 will strive to limit new client placement expenditures to 90 percent of  
7 the budgeted daily rate. If this can be accomplished, additional  
8 clients may be served with excess funds provided the total projected  
9 carry-forward expenditures do not exceed the amounts estimated. The  
10 department shall electronically report to the appropriate committees of  
11 the legislature, within 45 days following each fiscal year quarter, the  
12 number of residents moving into community settings and the actual  
13 expenditures for all community services to support those residents.

14 (d) (~~(\$511,000)~~) \$617,000 of the general fund--state appropriation  
15 for fiscal year 2004, (~~(\$616,000)~~) \$1,542,000 of the general fund--  
16 state appropriation for fiscal year 2005, and (~~(\$1,073,000)~~) \$2,057,000  
17 of the general fund--federal appropriation are provided solely for  
18 expanded community services for persons with developmental disabilities  
19 who also have community protection issues (~~(or are diverted or~~  
20 ~~discharged from state psychiatric hospitals)~~). Funding in this  
21 subsection shall be prioritized for (i) clients being diverted or  
22 discharged from the state psychiatric hospitals; (ii) clients  
23 participating in the dangerous mentally ill offender program; (iii)  
24 clients participating in the community protection program; and (iv)  
25 mental health crisis diversion outplacements. The department shall  
26 ensure that the average cost per day for all program services other  
27 than start-up costs shall not exceed \$300. In order to maximize the  
28 number of clients served and ensure the cost-effectiveness of the  
29 waiver programs, the department will strive to limit new client  
30 placement expenditures to 90 percent of the budgeted daily rate. If  
31 this can be accomplished, additional clients may be served with excess  
32 funds provided the total projected carry-forward expenditures do not  
33 exceed the amounts estimated. The department shall electronically  
34 report to the appropriate committees of the legislature, within 45 days  
35 following each fiscal year quarter, the number of persons served with  
36 these additional community services, where they were residing, what  
37 kinds of services they were receiving prior to placement, and the

1 actual expenditures for all community services to support these  
2 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 which 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, the following information for each home and community-  
9 based waiver: Total projected state and federal fiscal year  
10 expenditures, year-to-date actual expenditures compared to projected  
11 expenditures, year-to-date unduplicated clients compared to projected  
12 clients, actual average per capita costs compared to projected per  
13 capita costs, number of transfers between waivers, amount of emergency  
14 funds spent to date compared to projected emergency costs, and the  
15 year-to-date number of new clients added to a waiver program.

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

20 ~~((+f))~~ (g) \$3,290,000 of the general fund--state appropriation for  
21 fiscal year 2004, \$4,773,000 of the general fund--state appropriation  
22 for fiscal year 2005, and \$7,504,000 of the general fund--federal  
23 appropriation are provided solely for the purpose of providing a wage  
24 increase effective October 1, 2003, for individual home care workers  
25 providing state-funded services. The amounts in this subsection also  
26 include the funds needed for the employer share of unemployment and  
27 social security taxes on the amount of the increase.

28 ~~((+g))~~ (h) \$355,000 of the general fund--state appropriation for  
29 fiscal year 2004, ~~((+\$517,000))~~ \$780,000 of the general fund--state  
30 appropriation for fiscal year 2005, and ~~((+\$848,000))~~ \$1,092,000 of the  
31 general fund--federal appropriation are provided solely to increase  
32 payments to agency home care providers from \$13.44 per hour to \$14.27  
33 per hour effective October 1, 2003, and to \$14.83 per hour effective  
34 October 1, 2004. The amounts in this subsection shall be used to  
35 increase ~~((wages))~~ compensation for direct care workers by 75 cents per  
36 hour on October 1, 2003, and by an additional 50 cents per hour on  
37 October 1, 2004. The amounts in this subsection also include the funds



1 needed for the employer share of unemployment and social security taxes  
2 on the amount of the increase.

3 (i) \$1,000,000 of the general fund--state appropriation for fiscal  
4 year 2005 is provided solely for employment and day services. Priority  
5 consideration for this new funding shall be young adults with  
6 developmental disabilities living with their family who need employment  
7 opportunities and assistance after high school graduation. Federal  
8 funds may be used to enhance this funding only to the extent that a  
9 client is already on a home and community-based waiver. This funding  
10 shall not be used to add new clients to a home and community-based  
11 waiver.

12 (2) INSTITUTIONAL SERVICES

13	General Fund--State Appropriation (FY 2004) . . . . .	(( \$71,862,000 ))
14		<u>\$67,708,000</u>
15	General Fund--State Appropriation (FY 2005) . . . . .	(( \$70,926,000 ))
16		<u>\$70,794,000</u>
17	General Fund--Federal Appropriation . . . . .	(( \$144,682,000 ))
18		<u>\$148,998,000</u>
19	General Fund--Private/Local Appropriation . . . . .	\$11,228,000
20	TOTAL APPROPRIATION . . . . .	(( \$298,698,000 ))
21		<u>\$298,728,000</u>

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

28 (3) PROGRAM SUPPORT

29	General Fund--State Appropriation (FY 2004) . . . . .	(( \$2,245,000 ))
30		<u>\$2,474,000</u>
31	General Fund--State Appropriation (FY 2005) . . . . .	(( \$2,245,000 ))
32		<u>\$3,208,000</u>
33	General Fund--Federal Appropriation . . . . .	(( \$2,965,000 ))
34		<u>\$4,209,000</u>
35	Telecommunications Devices for the Hearing and	
36	Speech Impaired Account Appropriation . . . . .	(( \$1,782,000 ))
37		<u>\$891,000</u>

1 TOTAL APPROPRIATION . . . . . ((~~\$9,237,000~~))  
2 \$10,782,000

3 The appropriations in this subsection are subject to the following  
4 conditions and limitations: \$245,000 of the general fund--state  
5 appropriation for fiscal year 2004, \$996,000 of the general fund--state  
6 appropriation for fiscal year 2005, and \$1,258,000 of the general  
7 fund--federal appropriation are provided solely for the purpose of  
8 developing and implementing a consistent needs assessment instrument  
9 for use on all clients with developmental disabilities. In developing  
10 the instrument, the department shall develop a process for collecting  
11 data on family income for minor children with developmental  
12 disabilities who are clients of the department and shall ensure that  
13 this information is captured as part of the client assessment process.

14 (4) SPECIAL PROJECTS

15 General Fund--Federal Appropriation . . . . . ((~~\$11,993,000~~))  
16 \$13,604,000

17 **Sec. 206.** 2003 1st sp.s. c 25 s 206 (uncodified) is amended to  
18 read as follows:

19 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**  
20 **SERVICES PROGRAM**

21 General Fund--State Appropriation (FY 2004) . . . . . ((~~\$557,645,000~~))  
22 \$524,349,000  
23 General Fund--State Appropriation (FY 2005) . . . . . ((~~\$570,669,000~~))  
24 \$591,248,000  
25 General Fund--Federal Appropriation . . . . . ((~~\$1,162,511,000~~))  
26 \$1,200,279,000  
27 General Fund--Private/Local Appropriation . . . . . ((~~\$18,644,000~~))  
28 \$18,697,000

29 Health Services Account--State  
30 Appropriation . . . . . \$4,888,000

31 TOTAL APPROPRIATION . . . . . ((~~\$2,314,357,000~~))  
32 \$2,339,461,000

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

35 (1) The entire health services account appropriation, \$1,476,000 of  
36 the general fund--state appropriation for fiscal year 2004,

1 (~~(\$1,476,000)~~) \$484,000 of the general fund--state appropriation for  
2 fiscal year 2005, and (~~(\$7,284,000)~~) \$6,293,000 of the general fund--  
3 federal appropriation are provided solely for health care benefits for  
4 home care workers who are employed through state contracts for at least  
5 twenty hours per week.

6 (a) Premium payments for individual provider home care workers  
7 shall be made only to the subsidized basic health plan, and only for  
8 persons with incomes below 200 percent of the federal poverty level.

9 (b) Home care agencies may obtain coverage either through the basic  
10 health plan or through an alternative plan with substantially  
11 equivalent benefits. It is the intent of the legislature to fund the  
12 purchase of health care benefits for agency home care providers in a  
13 more fiscally prudent manner. The legislature encourages agency  
14 providers to purchase more cost-effective health care benefits,  
15 including increasing participation in the basic health plan or  
16 purchasing substantially equivalent benefits with substantially  
17 equivalent costs.

18 (2) \$1,768,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$1,768,000 of the general fund--state appropriation for  
20 fiscal year 2005 are provided solely for operation of the volunteer  
21 chore services program.

22 (3) For purposes of implementing chapter 74.46 RCW, the weighted  
23 average nursing facility payment rate shall be no more than (~~(\$144.54)~~)  
24 \$142.04 for fiscal year 2004, and no more than (~~(\$147.43)~~) \$144.93 for  
25 fiscal year 2005. For all facilities, the direct care, therapy care,  
26 support services, and operations component rates established in  
27 accordance with chapter 74.46 RCW shall be adjusted for economic trends  
28 and conditions by 3.0 percent effective July 1, 2003.

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

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

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

5 (a) ((The)) One waiver program shall include coverage of care in  
6 community residential facilities, and the second shall include coverage  
7 of home-based services. Enrollment in the waiver covering community  
8 residential services shall not exceed 600 persons ((by the end of)) in  
9 fiscal year 2004, nor 600 persons ((by the end of)) in fiscal year  
10 2005. Enrollment in the waiver covering home-based services shall not  
11 exceed 200 persons in fiscal year 2004, nor 200 persons in fiscal year  
12 2005.

13 (b) The department shall identify the number of medically needy  
14 nursing home residents, and enrollment and expenditures on each of the  
15 two medically needy waivers, on monthly management reports.

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

21 (7) \$118,000 of the general fund--state appropriation for fiscal  
22 year 2004, \$118,000 of the general fund--state appropriation for fiscal  
23 year 2005, and \$236,000 of the general fund--federal appropriation are  
24 provided solely for the department to assess at least annually each  
25 elderly resident residing in residential habilitation centers and  
26 state-operated living alternatives to determine if the resident can be  
27 more appropriately served in a less restrictive setting.

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

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

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

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

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

5 (8) Within funds appropriated in this section, the department may  
6 (~~assess nursing facility residents with Alzheimer's disease or related~~  
7 ~~dementias to determine whether such residents can be more appropriately~~  
8 ~~served in licensed boarding home facilities that specialize in caring~~  
9 ~~for such conditions. The department may, based upon the assessments~~  
10 ~~and within existing funds, pay dementia pilot project rates on behalf~~  
11 ~~of~~) expand the number of boarding home beds participating in the  
12 dementia pilot project by up to 200. These additional beds shall  
13 provide persons with Alzheimer's disease or related dementias who  
14 (~~move from nursing facilities to specialized boarding homes~~) might  
15 otherwise require nursing home care accommodation in licensed boarding  
16 home facilities that specialize in caring for such conditions.

17 (9) The department shall establish waiting lists to the extent  
18 necessary to assure that annual expenditures on the community options  
19 program entry systems (COPES) program do not exceed appropriated  
20 levels. In establishing and managing any such waiting list, the  
21 department shall assure priority access to persons with the greatest  
22 unmet needs, as determined by department assessment processes.

23 (10) \$7,102,000 of the general fund--state appropriation for fiscal  
24 year 2004, \$10,065,000 of the general fund--state appropriation for  
25 fiscal year 2005, and \$17,029,000 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 (11) \$107,000 of the general fund--state appropriation for fiscal  
32 year 2004, \$23,848,000 of the general fund--state appropriation for  
33 fiscal year 2005, and \$23,239,000 of the general fund--federal  
34 appropriation are provided solely for the purpose of implementing the  
35 collective bargaining agreement between the home care quality authority  
36 and the exclusive bargaining representative of individual providers.  
37 The amounts in this subsection are provided solely to appropriate  
38 funding for this purpose in the event that appropriations for this

1 purpose are not enacted in separate legislation. If appropriations for  
2 this purpose in amounts equal to or greater than the amounts  
3 appropriated in this subsection are enacted in separate legislation  
4 prior to April 4, 2004, the amounts provided in this subsection shall  
5 lapse. Amounts provided in this subsection may be transferred from the  
6 aging and adult services program to other programs within the  
7 department or to the home care quality authority to implement the  
8 collective bargaining agreement.

9 (12) \$2,219,000 of the general fund--state appropriation for fiscal  
10 year 2004, (~~(\$3,192,000)~~) \$4,837,000 of the general fund--state  
11 appropriation for fiscal year 2005, and (~~(\$5,263,000)~~) \$6,898,000 of  
12 the general fund--federal appropriation are provided solely to increase  
13 payments to agency home care providers from \$13.44 per hour to \$14.27  
14 per hour effective October 1, 2003, and to \$14.83 per hour effective  
15 October 1, 2004. The amounts in this subsection shall be used to  
16 increase (~~(wages)~~) compensation for direct care workers by 75 cents per  
17 hour on October 1, 2003, and by an additional 50 cents per hour on  
18 October 1, 2004. The amounts in this subsection also include the funds  
19 needed for the employer share of unemployment and social security taxes  
20 on the amount of the increase.

21 (13) \$53,000 of the general fund--local appropriation and \$53,000  
22 of the general fund--federal appropriation are provided solely to  
23 improve the timeliness of processing boarding home licensing  
24 applications.

25 (14) \$500,000 of the general fund--state appropriation for fiscal  
26 year 2005 is provided solely for area agencies on aging, or entities  
27 with which area agencies on aging contract, to provide support services  
28 for kinship caregivers throughout the state.

29 (a) Support services shall include but not be limited to assistance  
30 in gaining access to those services, counseling, organization of  
31 support groups, and respite care.

32 (b) In providing support services under the kinship caregivers  
33 support program, area agencies on aging shall give priority to kinship  
34 caregivers who are at the greatest risk of being unable to maintain the  
35 caregiving role.

36 (c) In carrying out the kinship caregivers support program, each  
37 area agency on aging shall coordinate the activities of the agency, or

1 entities with which the agency contracts, with the activities of other  
2 public and private agencies or organizations providing similar services  
3 for kinship caregivers.

4 **Sec. 207.** 2003 1st sp.s. c 25 s 207 (uncodified) is amended to  
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**  
7 **PROGRAM**

8	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$408,184,000</del> ))
9		<u>\$445,968,000</u>
10	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$407,363,000</del> ))
11		<u>\$438,823,000</u>
12	General Fund--Federal Appropriation . . . . .	(( <del>\$1,209,758,000</del> ))
13		<u>\$1,207,983,000</u>
14	General Fund--Private/Local Appropriation . . . . .	\$33,880,000
15	TOTAL APPROPRIATION . . . . .	(( <del>\$2,059,185,000</del> ))
16		<u>\$2,126,654,000</u>

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

19 (1) \$273,652,000 of the general fund--state appropriation for  
20 fiscal year 2004, \$273,695,000 of the general fund--state appropriation  
21 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal  
22 appropriation are provided solely for all components of the WorkFirst  
23 program. Within the amounts provided for the WorkFirst program, the  
24 department shall:

25 (a) Continue to implement WorkFirst program improvements that are  
26 designed to achieve progress against outcome measures specified in RCW  
27 74.08A.410. Valid outcome measures of job retention and wage  
28 progression shall be developed and reported quarterly to appropriate  
29 fiscal and policy committees of the legislature for families who leave  
30 assistance, measured after 12 months, 24 months, and 36 months. The  
31 department shall also report the percentage of families who have  
32 returned to temporary assistance for needy families after 12 months, 24  
33 months, and 36 months;

34 (b) Submit a report by October 1, 2003, to the fiscal committees of  
35 the legislature containing a spending plan for the WorkFirst program.  
36 The plan shall identify how spending levels in the 2003-2005 biennium

1 will be adjusted to stay within available federal grant levels and the  
2 appropriated state-fund levels; and

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

5 (2) (~~(\$45,639,000)~~) \$57,547,000 of the general fund--state  
6 appropriation for fiscal year 2004 and (~~(\$39,335,000)~~) \$59,953,000 of  
7 the general fund--state appropriation for fiscal year 2005 are provided  
8 solely for cash assistance and other services to recipients in the  
9 general assistance--unemployable program. Within these amounts, the  
10 department may expend funds for services that assist recipients to  
11 reduce their dependence on public assistance, provided that  
12 expenditures for these services and cash assistance do not exceed the  
13 funds provided.

14 (3) (~~(\$1,436,000)~~) \$936,000 of the general fund--state  
15 appropriation for fiscal year 2004 and (~~(\$1,436,000)~~) \$936,000 of the  
16 general fund--state appropriation for fiscal year 2005 are provided for  
17 the department to assist in naturalization efforts for legal aliens  
18 whose eligibility for federal supplemental security income has expired.  
19 The department shall use funding previously spent on general assistance  
20 employment supports for these naturalization services.

21 (4) \$3,940,000 of the general fund--state appropriation for fiscal  
22 year 2004 and \$3,940,000 of the general fund--state appropriation for  
23 fiscal year 2005 are provided solely for the food assistance program  
24 for legal immigrants. The level of benefits shall be equivalent to the  
25 benefits provided by the federal food stamp program.

26 (5) \$9,142,000 of the general fund--federal appropriation is  
27 provided solely for increased reimbursement of county legal-clerk  
28 services for child support enforcement. The department shall ensure  
29 this increase in cost does not reduce federal incentive payments.

30 (6) In reviewing the budget for the division of child support, the  
31 legislature has conducted a review of the Washington state child  
32 support schedule, chapter 26.19 RCW, and supporting documentation as  
33 required by federal law. The legislature concludes that the  
34 application of the support schedule continues to result in the correct  
35 amount of child support to be awarded. No further changes will be made  
36 to the support schedule or the economic table at this time.

37 (7) \$1,000,000 of the general fund--state appropriation for fiscal  
38 year 2005 is provided solely to implement, within funds appropriated in



1 this subsection, a child care career and wage ladder program. The  
2 child care career and wage ladder shall provide increased wages for  
3 child care workers based on their work experience, level of  
4 responsibility, and education. To the extent practicable within  
5 available funds, the program shall be modeled after the child care  
6 career and wage ladder program in place from 2000 to 2003. Licensed  
7 child care centers may only be eligible if they meet the following  
8 criteria: (a) At least ten percent of child care slots are dedicated  
9 to children whose care is subsidized by the state or any political  
10 subdivision thereof or any local government; (b) agree to adopt the  
11 child care career and wage ladder; and (c) meet further program  
12 standards as established by rule. Because available funds may not be  
13 sufficient to allow all qualifying child care centers to participate,  
14 the department shall develop a system for prioritizing child care  
15 centers interested in adopting the child care career and wage ladder.

16 (8) \$900,000 of the general fund--state appropriation for fiscal  
17 year 2005 is provided solely for a subsidy rate increase for child care  
18 providers in urban areas of region 1.

19 (9) \$2,000,000 of the general fund--state appropriation for fiscal  
20 year 2005 is provided solely for the department to maintain specialized  
21 employment services through the WorkFirst/LEP pathway program for  
22 refugees and other limited-English-proficient (LEP) families and  
23 individuals that receive temporary assistance for needy families, state  
24 family assistance, or refugee cash assistance benefits. These  
25 employment services include but are not limited to English as a second  
26 language (ESL), job placement assistance, and work support services.

27 (10) The department shall request a waiver of the interview  
28 requirement for all basic food applications completed by basic food  
29 outreach contractors. If the department is not granted a federal  
30 waiver by January 1, 2005, the food bank outreach pilot program is  
31 created as set forth in this subsection: The department shall select  
32 six food banks at which to conduct the food bank outreach pilot  
33 program. Three of the food banks shall be located in eastern  
34 Washington, and three shall be located in western Washington. A  
35 departmental intake worker shall be available at least one time per  
36 week at each of the participating food banks in order to assist food  
37 bank clients with applications for the basic food program. The

1 department shall implement the food bank outreach pilot program no  
2 later than January 1, 2005.

4 **Sec. 208.** 2003 1st sp.s. c 25 s 208 (uncodified) is amended to  
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**  
7 **ABUSE PROGRAM**

8	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$40,320,000</del> ))
9		<u>\$40,429,000</u>
10	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$40,320,000</del> ))
11		<u>\$42,151,000</u>
12	General Fund--Federal Appropriation . . . . .	(( <del>\$90,632,000</del> ))
13		<u>\$94,105,000</u>
14	General Fund--Private/Local Appropriation . . . . .	\$630,000
15	Public Safety and Education Account--State	
16	Appropriation . . . . .	(( <del>\$7,160,000</del> ))
17		<u>\$2,060,000</u>
18	<u>Problem Gambling Treatment Account--State</u>	
19	<u>Appropriation . . . . .</u>	<u>\$500,000</u>
20	Criminal Justice Treatment Account--State	
21	Appropriation . . . . .	\$8,950,000
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation . . . . .	(( <del>\$44,342,000</del> ))
24		<u>\$48,242,000</u>
25	TOTAL APPROPRIATION . . . . .	(( <del>\$232,354,000</del> ))
26		<u>\$237,067,000</u>

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

29 (1) \$966,197 of the general fund--state appropriation for fiscal  
30 year 2004 and \$966,197 of the general fund--state appropriation for  
31 fiscal year 2005 are provided solely for the parent child assistance  
32 program. The department shall contract with the University of  
33 Washington and community-based providers in Spokane and Yakima for the  
34 provision of this program. For all contractors, indirect charges for  
35 administering the program shall not exceed ten percent of the total  
36 contract amount.

1       (2) \$500,000 of the problem gambling treatment account  
2 appropriation is provided solely to implement Second Substitute House  
3 Bill No. 2776 (problem gambling). If the bill is not enacted by June  
4 30, 2004, the amount provided in this subsection shall lapse.

5       **Sec. 209.** 2003 1st sp.s. c 25 s 209 (uncodified) is amended to  
6 read as follows:

7 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**  
8 **PROGRAM**

9	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$1,184,774,000</del> ))
10		<u>\$1,117,886,000</u>
11	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$1,265,423,000</del> ))
12		<u>\$1,274,692,000</u>
13	General Fund--Federal Appropriation . . . . .	(( <del>\$3,764,258,000</del> ))
14		<u>\$3,915,458,000</u>
15	General Fund--Private/Local Appropriation . . . . .	(( <del>\$262,736,000</del> ))
16		<u>\$268,296,000</u>
17	Emergency Medical Services and Trauma Care Systems	
18	Trust Account--State Appropriation . . . . .	(( <del>\$23,700,000</del> ))
19		<u>\$14,004,000</u>
20	Health Services Account--State Appropriation . . . . .	(( <del>\$756,012,000</del> ))
21		<u>\$715,399,000</u>
22	TOTAL APPROPRIATION . . . . .	(( <del>\$7,256,903,000</del> ))
23		<u>\$7,305,735,000</u>

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

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

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

35       (3) In determining financial eligibility for medicaid-funded  
36 services, the department is authorized to disregard recoveries by

1 Holocaust survivors of insurance proceeds or other assets, as defined  
2 in RCW 48.104.030.

3 (4) (~~(\$999,000)~~) \$493,000 of the health services account  
4 appropriation for fiscal year 2004, (~~(\$1,519,000)~~) \$748,000 of the  
5 health services account appropriation for fiscal year 2005, and  
6 (~~(\$2,142,000)~~) \$1,241,000 of the general fund--federal appropriation  
7 are provided solely for implementation of a "ticket to work" medicaid  
8 buy-in program for working persons with disabilities, operated in  
9 accordance with the following conditions:

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

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

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

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

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

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

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

36 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,952,000  
37 of the fiscal year 2004 health services account appropriation,  
38 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services

1 account appropriation, and (~~(\$87,074,000)~~) \$61,038,000 of the general  
2 fund--federal appropriation are provided solely for supplemental  
3 payments to nursing homes operated by rural public hospital districts.  
4 The payments shall be conditioned upon (a) a contractual commitment by  
5 the association of public hospital districts and participating rural  
6 public hospital districts to make an intergovernmental transfer to the  
7 state treasurer, for deposit into the health services account, equal to  
8 at least (~~(94.5)~~) 91.8 percent of the supplemental payments; (b) a  
9 contractual commitment by the association of public hospital districts  
10 to return at least (~~(5.5)~~) 8.2 percent of the supplemental payments to  
11 the participating rural hospital districts; and (c) a contractual  
12 commitment by the participating districts to not allow expenditures  
13 covered by the supplemental payments to be used for medicaid nursing  
14 home rate setting. A hospital which does not participate in the  
15 supplemental payment intergovernmental transfer budgeted for fiscal  
16 year 2003 shall not be eligible to participate in the supplemental  
17 payments budgeted in this subsection for fiscal years 2004 and 2005.  
18 The participating districts shall retain no more than a total of  
19 \$9,600,000 for the 2003-05 biennium.

20 (9) (~~(\$14,616,000)~~) \$12,318,000 of the health services account  
21 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$10,738,000 of the  
22 health services account appropriation for fiscal year 2005, and  
23 (~~(\$27,010,000)~~) \$23,056,000 of the general fund--federal appropriation  
24 are provided solely for additional disproportionate share and medicare  
25 upper payment limit payments to public hospital districts and to the  
26 state's teaching hospitals. The payments shall be conditioned upon a  
27 contractual commitment by the participating public hospitals to make an  
28 intergovernmental transfer to the health services account equal to at  
29 least 91 percent of the additional payments. The state's teaching  
30 hospitals shall retain at least 28 percent of the amounts retained by  
31 hospitals under these programs, or the maximum allowable under the  
32 teaching hospitals' limits as established under federal rule, whichever  
33 is less.

34 (10) \$3,100,000 of the health services account appropriation,  
35 (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local appropriation, and  
36 (~~(\$11,516,000)~~) \$7,308,000 of the general fund--federal appropriation  
37 are provided solely for grants to rural hospitals. The department  
38 shall distribute the funds under a formula that provides a relatively

1 larger share of the available funding to hospitals that (a) serve a  
2 disproportionate share of low-income and medically indigent patients  
3 and (b) have relatively smaller net financial margins, to the extent  
4 allowed by the federal medicaid program.

5 (11) \$10,000,000 of the general fund--state appropriation for  
6 fiscal year 2005, \$26,080,000 of the health services account  
7 appropriation, and \$26,080,000 of the general fund--federal  
8 appropriation are provided solely for grants to nonrural hospitals.  
9 The department shall distribute the funds under a formula that provides  
10 a relatively larger share of the available funding to hospitals that  
11 (a) serve a disproportionate share of low-income and medically indigent  
12 patients and (b) have relatively smaller net financial margins, to the  
13 extent allowed by the federal medicaid program.

14 ~~((13) \$156,000))~~ (12) \$302,000 of the general fund--state  
15 appropriation for fiscal year 2004, \$1,671,000 of the general fund--  
16 state appropriation for fiscal year 2005, and ~~((1,403,000))~~  
17 \$17,757,000 of the general fund--federal appropriation are provided  
18 solely for ~~((a study to assess alternatives for replacing the existing~~  
19 ~~medicaid management information system. The department shall report to~~  
20 ~~the information services board and to the fiscal committees of the~~  
21 ~~legislature by December 1, 2003, on the anticipated costs and benefits~~  
22 ~~of the major alternative approaches))~~ development and implementation of  
23 a replacement system for the existing medicaid management information  
24 system.

25 ~~((14))~~ (13) The department shall implement a combination of cost  
26 containment and utilization strategies sufficient to reduce general  
27 fund--state costs for durable medical equipment and supplies in fiscal  
28 year 2005 by approximately 5 percent below the level projected for  
29 fiscal year 2005 in the February 2003 forecast. In designing  
30 strategies, the primary strategy considered shall be selective or  
31 direct contracting with durable medical equipment and supplies vendors  
32 or manufacturers.

33 ~~((15))~~ (14) The department shall, within available resources,  
34 design and implement a medical care services care management pilot  
35 project for clients receiving general assistance benefits. The pilot  
36 project shall be operated in at least two of the counties with the  
37 highest concentration of general assistance clients, and may use a full  
38 or partial capitation model. In designing the project, the department

1 shall consult with the mental health division and its managed care  
2 contractors that include community and migrant health centers in their  
3 provider network. The pilot project shall be designed to maximize care  
4 coordination, high-risk medical management, and chronic care management  
5 to achieve better health outcomes. The pilot project shall begin  
6 enrollment on July 1, 2004.

7 ~~((+16+))~~ (15) Within available resources and to the extent  
8 possible, the department shall evaluate and pilot a nurse consultant  
9 services program to assist fee-for-service clients in accessing medical  
10 information, with the goal of reducing administrative burdens on  
11 physicians and unnecessary emergency room utilization.

12 ~~((+17+))~~ (16) The department shall include in any pending medicaid  
13 reform section 1115 waiver application, or in any existing section 1115  
14 waiver, a request for authorization to provide optional medicaid  
15 services that have been eliminated in this act to American Indian and  
16 Alaska Native persons as defined in relevant federal law who are  
17 eligible for medicaid only to the extent that such services are  
18 provided through the American Indian health system and are financed  
19 with one hundred percent federal medicaid matching funds.

20 ~~((+18+))~~ (17) The department shall establish managed care rates  
21 within available funds, giving specific consideration to each plan's  
22 programmatic and financial performance, and ability to assure access in  
23 under-served areas.

24 ~~((+19+))~~ (18) The department of social and health services, the  
25 office of the superintendent of public instruction, and the department  
26 of health should jointly 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 provides cost-effective ways to avoid higher health care spending later  
31 in life.

32 ~~((+20+))~~ (19) The department shall secure a federal waiver,  
33 effective no later than September 1, 2003, which will enable it to  
34 charge co-premiums for medical and dental coverage of children whose  
35 family incomes exceed the federal poverty level.

36 ~~((+21+))~~ (20) For purposes of RCW 74.09.800(2), ~~((\$9,549,000))~~  
37 \$8,017,000 of the general fund--state appropriation for fiscal year  
38 2004, ~~((\$10,779,000))~~ \$8,454,000 of the general fund--state

1 appropriation for fiscal year 2005, and (~~(\$37,753,000)~~) \$30,588,000 of  
 2 the general fund--federal appropriation are provided solely to provide  
 3 prenatal care services to low-income women who are not eligible to  
 4 receive such services under the medical assistance program, Title XIX  
 5 of the federal social security act. If the department is unable to  
 6 secure federal matching funds under Title XXI of the social security  
 7 act, the department shall take all actions necessary to manage the  
 8 program within these appropriated levels.

9 (21) \$20,279,000 of the health services account appropriation for  
 10 fiscal year 2004, \$16,430,000 of the health services account for fiscal  
 11 year 2005, and \$36,709,000 of the general fund--federal appropriation  
 12 are provided solely for additional disproportionate share hospital  
 13 payments to public hospital districts. The payments shall be  
 14 conditioned upon a contractual commitment by the participating public  
 15 hospital districts to make an intergovernmental transfer to the health  
 16 services account equal to at least 91 percent of the additional  
 17 disproportionate share payment. The participating districts shall  
 18 retain no more than \$6,600,000 of the additional disproportionate share  
 19 payment.

20 **Sec. 210.** 2003 1st sp.s. c 25 s 210 (uncodified) is amended to  
 21 read as follows:

22 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**  
 23 **REHABILITATION PROGRAM**

24	General Fund--State Appropriation (FY 2004) . . . . .	( <del>(\$10,180,000)</del> )
25		<u>\$10,172,000</u>
26	General Fund--State Appropriation (FY 2005) . . . . .	( <del>(\$10,202,000)</del> )
27		<u>\$10,191,000</u>
28	General Fund--Federal Appropriation . . . . .	( <del>(\$85,803,000)</del> )
29		<u>\$85,804,000</u>
30	General Fund--Local Appropriation . . . . .	\$440,000
31	<u>Telecommunication Devices for the Hearing and</u>	
32	<u>Speech Impaired Account Appropriation . . . . .</u>	<u>\$891,000</u>
33	TOTAL APPROPRIATION . . . . .	( <del>(\$106,625,000)</del> )
34		<u>\$107,498,000</u>

35 **Sec. 211.** 2003 1st sp.s. c 25 s 211 (uncodified) is amended to  
 36 read as follows:



1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**  
2 **SUPPORTING SERVICES PROGRAM**

3	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$35,926,000</del> ))
4		<u>\$37,620,000</u>
5	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$25,968,000</del> ))
6		<u>\$28,824,000</u>
7	General Fund--Federal Appropriation . . . . .	(( <del>\$45,752,000</del> ))
8		<u>\$52,021,000</u>
9	General Fund--Private/Local Appropriation . . . . .	\$810,000
10	<u>Public Safety and Education Account--State</u>	
11	<u>Appropriation . . . . .</u>	<u>\$2,444,000</u>
12	<u>Violence Reduction and Drug Enforcement Account--State</u>	
13	<u>Appropriation . . . . .</u>	<u>\$4,152,000</u>
14	<u>Domestic Violence Prevention Account--State</u>	
15	<u>Appropriation . . . . .</u>	<u>\$395,000</u>
16	TOTAL APPROPRIATION . . . . .	(( <del>\$108,456,000</del> ))
17		<u>\$126,266,000</u>

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

20 (1) \$467,000 of the general fund--state appropriation for fiscal  
21 year 2004, \$769,000 of the general fund--state appropriation for fiscal  
22 year 2005, and \$1,236,000 of the general fund--federal appropriation  
23 are provided solely for transition costs associated with the downsizing  
24 effort at Fircrest school. The department shall organize the  
25 downsizing effort so as to minimize disruption to clients, employees,  
26 and the developmental disabilities program. The employees responsible  
27 for the downsizing effort shall report to the assistant secretary of  
28 the aging and disability services administration. Within the funds  
29 provided in this subsection, the department shall:

30 (a) Determine appropriate ways to maximize federal reimbursement  
31 during the downsizing process;

32 (b) Meet and confer with representatives of affected employees on  
33 how to assist employees who need help to relocate to other state jobs  
34 or to transition to private sector positions;

35 (c) Review opportunities for state employees to continue caring for  
36 clients by assisting them in developing privately operated community  
37 residential alternatives. In conducting the review, the department

1 will examine efforts in this area pursued by other states as part of  
2 institutional downsizing efforts;

3 (d) Keep appropriate committees of the legislature apprised,  
4 through regular reports and periodic e-mail updates, of the development  
5 of and revisions to the work plan regarding this downsizing effort; and

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

11 (2) \$10,000,000 of the general fund--state appropriation for fiscal  
12 year 2004 is provided solely for one-time expenditures needed to meet  
13 the federally required level for state supplemental payments (SSP).  
14 The department shall transfer appropriate portions of this amount to  
15 other programs within the agency to accomplish this purpose. The  
16 department shall not initiate new services with this funding that will  
17 cause total future SSP expenditures to exceed the required annual  
18 maintenance-of-effort level.

19 (3) \$100,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$100,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for a contract for expanded  
22 services of the teamchild project.

23 (4) \$900,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$900,000 of the general fund--state appropriation for  
25 fiscal year 2005 are provided solely for the continued implementation  
26 of the juvenile violence prevention grant program established in  
27 section 204, chapter 309, Laws of 1999.

28 (5) The entire domestic violence prevention account--state  
29 appropriation is provided solely to implement Engrossed Second  
30 Substitute House Bill No. 2481 (marriage license fees). If the bill is  
31 not enacted by June 30, 2004, the amount provided in this subsection  
32 shall lapse.

33 **Sec. 212.** 2003 1st sp.s. c 25 s 212 (uncodified) is amended to  
34 read as follows:

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**  
36 **AGENCIES PROGRAM**

37 General Fund--State Appropriation (FY 2004) . . . . . ((\$42,011,000))

1		<u>\$43,454,000</u>
2	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$42,011,000</del> ))
3		<u>\$43,493,000</u>
4	General Fund--Federal Appropriation . . . . .	(( <del>\$41,994,000</del> ))
5		<u>\$43,321,000</u>
6	TOTAL APPROPRIATION . . . . .	(( <del>\$126,016,000</del> ))
7		<u>\$130,268,000</u>

8       **Sec. 213.** 2003 1st sp.s. c 25 s 213 (uncodified) is amended to  
9 read as follows:

10 **FOR THE STATE HEALTH CARE AUTHORITY**

11	State Health Care Authority Administrative	
12	Account--State Appropriation . . . . .	(( <del>\$17,665,000</del> ))
13		<u>\$18,942,000</u>
14	Health Services Account--State Appropriation . . . . .	(( <del>\$415,459,000</del> ))
15		<u>\$415,935,000</u>
16	<u>General Fund--State Appropriation (FY 2005) . . . . .</u>	<u>\$5,050,000</u>
17	General Fund--Federal Appropriation . . . . .	(( <del>\$3,307,000</del> ))
18		<u>\$3,875,000</u>
19	Medical Aid Account--State Appropriation . . . . .	(( <del>\$128,000</del> ))
20		<u>\$213,000</u>
21	TOTAL APPROPRIATION . . . . .	(( <del>\$436,559,000</del> ))
22		<u>\$444,015,000</u>

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

25       (1) \$5,000,000 of the general fund--state appropriation is provided  
26 solely to increase funding for health care services provided through  
27 local community clinics.

28       (2) \$6,000,000 of the health services account--state appropriation  
29 is provided solely to increase the number of persons not eligible for  
30 medicaid receiving dental care from nonprofit community clinics, and  
31 for interpreter services to support dental and medical services for  
32 persons for whom interpreters are not available from any other source.

33       ((+2)) (3) \$50,000 of the general fund--state appropriation is  
34 provided solely to support the operation of an innovative clinic model  
35 for the delivery of health services to uninsured or publicly insured  
36 persons that is located in an urban underserved area and operated as a  
37 department or subsidiary of a hospital located in that underserved

1 area; has been in operation for fewer than six months as of the  
2 effective date of this act; utilizes an innovative service delivery  
3 model that relies upon midlevel practitioners, volunteers, and students  
4 enrolled in health education programs and offers group visits for  
5 common conditions; and has a sliding fee schedule that assumes that  
6 every patient of the clinic will make some contribution towards the  
7 cost of his or her care.

8 (4) In order to maximize the number of enrollees who can be  
9 supported within appropriated amounts, the health care authority is  
10 directed to make modifications that will reduce the actuarial value of  
11 the basic health plan benefit by approximately 18 percent effective  
12 January 1, 2004. Modifications may include changes in enrollee premium  
13 obligations, enrollee cost-sharing, benefits, and incentives to access  
14 preventative services. To the extent that additional actions are  
15 needed in order to operate within appropriated funds, new enrollments  
16 to the program shall be limited in a manner consistent with the  
17 authority's September 6, 2001, administrative policy on basic health  
18 plan enrollment management.

19 ((+3)) (5) Within funds appropriated in this section and sections  
20 205 and 206 of this act, the health care authority shall continue to  
21 provide an enhanced basic health plan subsidy for foster parents  
22 licensed under chapter 74.15 RCW and workers in state-funded home care  
23 programs. Under this enhanced subsidy option, foster parents and home  
24 care workers with family incomes below 200 percent of the federal  
25 poverty level shall be allowed to enroll in the basic health plan at  
26 the minimum premium amount charged to enrollees with incomes below  
27 sixty-five percent of the federal poverty level.

28 ((+4)) (6) The health care authority shall require organizations  
29 and individuals which are paid to deliver basic health plan services  
30 and which choose to sponsor enrollment in the subsidized basic health  
31 plan to pay 133 percent of the premium amount which would otherwise be  
32 due from the sponsored enrollees.

33 ((+5)) (7) The administrator shall take at least the following  
34 actions to assure that persons participating in the basic health plan  
35 are eligible for the level of assistance they receive: (a) Require  
36 submission of income tax returns, and recent pay history, from all  
37 applicants; (b) check employment security payroll records at least once  
38 every twelve months on all enrollees; (c) require enrollees whose

1 income as indicated by payroll records exceeds that upon which their  
2 subsidy is based to document their current income as a condition of  
3 continued eligibility; (d) require enrollees for whom employment  
4 security payroll records cannot be obtained to document their current  
5 income at least once every six months; (e) not reduce gross family  
6 income for self-employed persons by noncash-flow expenses such as, but  
7 not limited to, depreciation, amortization, and home office deductions,  
8 as defined by the United States internal revenue service; and (f)  
9 pursue repayment and civil penalties from persons who have received  
10 excessive subsidies, as provided in RCW 70.47.060(9).

11 ~~((+6+))~~ (8) To decrease administrative burdens for providers and  
12 plans participating in state purchased health care programs, the  
13 administrator, the assistant secretary for the medical assistance  
14 administration of the department of social and health services, and the  
15 director of the department of labor and industries, in collaboration  
16 with health carriers, health care providers, and the office of the  
17 insurance commissioner shall, within available resources:

18 (a) Improve the timeliness of claims processing and the  
19 distribution of medical assistance program fee schedules, and more  
20 clearly define the scope of coverage under managed care contracts;

21 (b) Improve the capacity for electronic billing and claims  
22 submission and provide electronic access to eligibility, benefits, and  
23 exclusion information;

24 (c) Develop clear audit and data requirements for contracting  
25 managed health care plans and improve consistency between claims  
26 processing and published fee schedules;

27 (d) Conform billing codes with providers and between agencies with  
28 national and regional standards wherever possible; and

29 (e) Take steps to implement cost-effective measures pursuant to  
30 this section by December 2004, and on or before December 1, 2003,  
31 provide a progress report to the relevant policy and fiscal committees  
32 of the legislature on the feasibility of implementation and any fiscal  
33 constraints or regulatory or statutory barriers.

34 (9) \$145,000 of the health services account--state appropriation is  
35 provided solely to implement House Bill No. 2469 (Canadian prescription  
36 drug purchasing). If the bill is not enacted by June 30, 2004, the  
37 amount provided in this subsection shall lapse.

1       **Sec. 214.** 2003 1st sp.s. c 25 s 216 (uncodified) is amended to  
2 read as follows:

3       **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

4	Municipal Criminal Justice Assistance Account--	
5	Local Appropriation . . . . .	\$460,000
6	Death Investigations Account--State	
7	Appropriation . . . . .	\$148,000
8	Public Safety and Education Account--State	
9	Appropriation . . . . .	(( <del>\$18,078,000</del> ))
10		<u>\$18,128,000</u>
11	TOTAL APPROPRIATION . . . . .	(( <del>\$18,686,000</del> ))
12		<u>\$18,736,000</u>

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

15       (1) \$124,000 of the public safety and education account  
16 appropriation is provided solely to allow the Washington association of  
17 sheriffs and police chiefs to increase the technical and training  
18 support provided to the local criminal justice agencies on the new  
19 incident-based reporting system and the national incident-based  
20 reporting system.

21       (2) \$136,000 of the public safety and education account  
22 appropriation is provided solely to allow the Washington association of  
23 prosecuting attorneys to enhance the training provided to criminal  
24 justice personnel.

25       (3) \$65,000 of the public safety and education account  
26 appropriation is provided solely for regionalized training programs for  
27 school district and local law enforcement officials on school safety  
28 issues.

29       (4) \$250,000 of the public safety and education account  
30 appropriation is provided solely to the Washington association of  
31 sheriffs and police chiefs for staffing and support of a web site to  
32 provide information about sex offenders.

33       (5) \$50,000 of the public safety and education account  
34 appropriation is provided solely for the implementation of Engrossed  
35 Substitute House Bill No. 2556 (criminal background checks). If the  
36 bill is not enacted by June 30, 2004, the amount provided in this  
37 subsection shall lapse.

1       **Sec. 215.** 2003 1st sp.s. c 25 s 217 (uncodified) is amended to  
2 read as follows:

3       **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

4	General Fund--State Appropriation (FY 2004) . . . . .	\$5,863,000
5	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$5,860,000)</del>
6		<u>\$6,437,000</u>
7	Public Safety and Education Account--State	
8	Appropriation . . . . .	\$22,391,000
9	Public Safety and Education Account--Federal	
10	Appropriation . . . . .	\$8,462,000
11	Asbestos Account--State Appropriation . . . . .	<del>(\$693,000)</del>
12		<u>\$717,000</u>
13	Electrical License Account--State	
14	Appropriation . . . . .	<del>(\$28,966,000)</del>
15		<u>\$29,589,000</u>
16	Farm Labor Revolving Account--Private/Local	
17	Appropriation . . . . .	\$28,000
18	Worker and Community Right-to-Know Account--State	
19	Appropriation . . . . .	<del>(\$2,544,000)</del>
20		<u>\$2,557,000</u>
21	Public Works Administration Account--State	
22	Appropriation . . . . .	<del>(\$2,411,000)</del>
23		<u>\$2,477,000</u>
24	Accident Account--State Appropriation . . . . .	<del>(\$187,843,000)</del>
25		<u>\$188,181,000</u>
26	Accident Account--Federal Appropriation . . . . .	\$13,396,000
27	Medical Aid Account--State Appropriation . . . . .	<del>(\$186,724,000)</del>
28		<u>\$186,408,000</u>
29	Medical Aid Account--Federal Appropriation . . . . .	\$2,960,000
30	Plumbing Certificate Account--State	
31	Appropriation . . . . .	<del>(\$1,451,000)</del>
32		<u>\$1,490,000</u>
33	Pressure Systems Safety Account--State	
34	Appropriation . . . . .	<del>(\$2,807,000)</del>
35		<u>\$2,878,000</u>
36	TOTAL APPROPRIATION . . . . .	<del>(\$472,399,000)</del>
37		<u>\$473,834,000</u>

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

3 ~~((+2))~~ (1) \$90,000 of the electrical license account--state  
4 appropriation and \$206,000 of the plumbing certificate account--state  
5 appropriation are provided solely to implement Engrossed Substitute  
6 Senate Bill No. 5713 (electrical contractors). If the bill is not  
7 enacted by June 30, 2003, the amounts provided in this subsection shall  
8 lapse.

9 ~~((+3)---\$378,000))~~ (2) \$578,000 of the accident account--state  
10 appropriation is provided solely for the purpose of contracting with  
11 medical laboratories, health care providers, and other appropriate  
12 entities to provide cholinesterase medical monitoring of farm workers  
13 who handle cholinesterase-inhibiting pesticides, and to collect and  
14 analyze data related to such monitoring.

15 (3) \$453,000 of the accident account--state appropriation is  
16 provided solely for the purpose of reimbursing agricultural employers  
17 for the costs of training, recordkeeping, and travel related to  
18 cholinesterase medical monitoring of farm workers who handle  
19 cholinesterase-inhibiting pesticides.

20 **Sec. 216.** 2003 1st sp.s. c 25 s 219 (uncodified) is amended to  
21 read as follows:

22 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

23 (1) HEADQUARTERS

24	General Fund--State Appropriation (FY 2004) . . . . .	<del>(((\$1,527,000))</del>
25		<u>\$1,531,000</u>
26	General Fund--State Appropriation (FY 2005) . . . . .	<del>(((\$1,528,000))</del>
27		<u>\$1,536,000</u>

28 Charitable, Educational, Penal, and Reformatory  
29 Institutions Account--State

30	Appropriation . . . . .	\$11,000
31	TOTAL APPROPRIATION . . . . .	<del>(((\$3,066,000))</del>
32		<u>\$3,078,000</u>

33 (2) FIELD SERVICES

34	General Fund--State Appropriation (FY 2004) . . . . .	<del>(((\$2,579,000))</del>
35		<u>\$2,588,000</u>
36	General Fund--State Appropriation (FY 2005) . . . . .	<del>(((\$2,579,000))</del>
37		<u>\$2,596,000</u>



1	General Fund--Federal Appropriation . . . . .	\$309,000
2	General Fund--Private/Local Appropriation . . . . .	\$1,668,000
3	TOTAL APPROPRIATION . . . . .	<del>(( \$7,135,000 ))</del>
4		<u>\$7,161,000</u>

5 (3) INSTITUTIONAL SERVICES

6	General Fund--State Appropriation (FY 2004) . . . . .	<del>(( \$7,473,000 ))</del>
7		<u>\$7,380,000</u>
8	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$5,890,000 ))</del>
9		<u>\$6,020,000</u>
10	General Fund--Federal Appropriation . . . . .	<del>(( \$27,207,000 ))</del>
11		<u>\$27,365,000</u>
12	General Fund--Private/Local Appropriation . . . . .	\$27,822,000
13	TOTAL APPROPRIATION . . . . .	<del>(( \$68,392,000 ))</del>
14		<u>\$68,587,000</u>

15 **Sec. 217.** 2003 1st sp.s. c 25 s 220 (uncodified) is amended to  
 16 read as follows:

17 **FOR THE HOME CARE QUALITY AUTHORITY**

18	General Fund--State Appropriation (FY 2004) . . . . .	<del>(( \$412,000 ))</del>
19		<u>\$360,000</u>
20	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$259,000 ))</del>
21		<u>\$471,000</u>
22	TOTAL APPROPRIATION . . . . .	<del>(( \$671,000 ))</del>
23		<u>\$831,000</u>

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

26 ~~(( (1) \$150,000 ))~~ \$98,000 of the general fund--state appropriation  
 27 for fiscal year 2004 ~~(( is ))~~ and \$212,000 of the general fund--state  
 28 appropriation for fiscal year 2005 are provided solely for the design  
 29 and development of the home care provider registry mandated by  
 30 Initiative Measure No. 775.

31 ~~(( (2) Pursuant to RCW 74.39A.300(1), the legislature rejects the~~  
 32 ~~collective bargaining agreement entered into by the home care quality~~  
 33 ~~authority and the exclusive bargaining representative of individual~~  
 34 ~~providers under chapter 74.39A RCW (Initiative Measure No. 775).))~~

35 **Sec. 218.** 2003 1st sp.s. c 25 s 221 (uncodified) is amended to  
 36 read as follows:

1	<b>FOR THE DEPARTMENT OF HEALTH</b>	
2	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$58,143,000</del> ))
3		<u>\$57,853,000</u>
4	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$60,224,000</del> ))
5		<u>\$60,375,000</u>
6	Health Services Account--State Appropriation . . . . .	(( <del>\$34,289,000</del> ))
7		<u>\$37,389,000</u>
8	General Fund--Federal Appropriation . . . . .	(( <del>\$348,897,000</del> ))
9		<u>\$392,762,000</u>
10	General Fund--Private/Local Appropriation . . . . .	\$93,601,000
11	Hospital Commission Account--State	
12	Appropriation . . . . .	\$2,490,000
13	Health Professions Account--State	
14	Appropriation . . . . .	(( <del>\$40,097,000</del> ))
15		<u>\$40,571,000</u>
16	Emergency Medical Services and Trauma Care Systems	
17	Trust Account--State Appropriation . . . . .	\$12,558,000
18	Safe Drinking Water Account--State	
19	Appropriation . . . . .	\$2,728,000
20	Drinking Water Assistance Account--Federal	
21	Appropriation . . . . .	(( <del>\$13,498,000</del> ))
22		<u>\$15,654,000</u>
23	Waterworks Operator Certification--State	
24	Appropriation . . . . .	(( <del>\$633,000</del> ))
25		<u>\$1,053,000</u>
26	<u>Drinking Water Assistance Administrative Account--</u>	
27	<u>State Appropriation . . . . .</u>	<u>\$326,000</u>
28	Water Quality Account--State Appropriation . . . . .	\$3,359,000
29	Accident Account--State Appropriation . . . . .	\$258,000
30	Medical Aid Account--State Appropriation . . . . .	\$46,000
31	State Toxics Control Account--State	
32	Appropriation . . . . .	\$2,761,000
33	Medical Test Site Licensure Account--State	
34	Appropriation . . . . .	\$1,718,000
35	Youth Tobacco Prevention Account--State	
36	Appropriation . . . . .	\$1,806,000
37	Tobacco Prevention and Control Account--State	
38	Appropriation . . . . .	\$52,510,000

1	<u>Patient Safety Account--State Appropriation . . . . .</u>	<u>\$100,000</u>
2	TOTAL APPROPRIATION . . . . .	<del>(\$729,616,000)</del>
3		<u>\$779,918,000</u>

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

6 (1) The department or any successor agency is authorized to raise  
7 existing fees charged for health care assistants, commercial shellfish  
8 paralytic shellfish poisoning, commercial shellfish licenses, ~~((and))~~  
9 newborn screening programs, psychiatrically impaired children and youth  
10 residential treatment, in-home services, and midwives, in excess of the  
11 fiscal growth factor established by Initiative Measure No. 601, if  
12 necessary, to meet the actual costs of conducting business and the  
13 appropriation levels in this section.

14 (2) \$1,337,000 of the general fund--state fiscal year 2004  
15 appropriation and \$1,338,000 of the general fund--state fiscal year  
16 2005 appropriation are provided solely for the implementation of the  
17 Puget Sound water work plan and agency action items, DOH-01, DOH-02,  
18 DOH-03, and DOH-04.

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

35 (4) ~~(\$21,650,000)~~ \$24,350,000 of the health services account--  
36 state appropriation is provided solely for the state's program of  
37 universal access to essential childhood vaccines. The department shall

1 utilize all available federal funding before expenditure of these  
2 funds.

3 (5) \$2,984,000 of the general fund--local appropriation is provided  
4 solely for development and implementation of an internet-based system  
5 for preparing and retrieving death certificates as provided in  
6 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based  
7 vital records).

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

16 (7) \$92,000 of the general fund--state appropriation for fiscal  
17 year 2004, \$19,000 of the general fund--state appropriation for fiscal  
18 year 2005, and \$987,000 of the general fund--local appropriation are  
19 provided solely for implementation of Substitute House Bill No. 1338  
20 (municipal water rights). If Substitute House Bill No. 1338 is not  
21 enacted by June 30, 2003, the amounts provided in this subsection shall  
22 lapse.

23 (8) \$65,000 of the general fund--state appropriation for fiscal  
24 year 2005 is provided solely to enhance and protect basin flows to  
25 implement Substitute House Bill No. 2396 (instream flows). If the bill  
26 is not enacted by June 30, 2004, the amount provided in this subsection  
27 shall lapse.

28 (9) \$500,000 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 and Franklin counties for persons  
31 with household income at or below 200 percent of the federal poverty  
32 level who are ineligible for family planning services through the  
33 medicaid program. Individuals who will be served under the pilot  
34 include women who have never been pregnant, are not currently pregnant,  
35 or are beyond the family planning extension period allowed for first  
36 steps program eligibility. It is anticipated that the pilot project  
37 will serve approximately 2,000 women annually. The department will

1 provide a preliminary report to the appropriate committees of the  
2 legislature by December 1, 2005.

3 (10) \$188,000 of the health professions account--state  
4 appropriation is provided solely to increase the regulation of sales of  
5 precursor drugs that are often used to illegally manufacture  
6 methamphetamine to implement Engrossed Substitute House Bill No. 2844  
7 (ephedrine). If the bill is not enacted by June 30, 2004, the amount  
8 provided in this subsection shall lapse.

9 (11) \$83,000 of the health professions account--state appropriation  
10 is provided solely to expand the scope of practice for naturopaths to  
11 implement Substitute House Bill No. 1862 (naturopaths). If the bill is  
12 not enacted by June 30, 2004, the amount provided in this subsection  
13 shall lapse.

14 (12) \$100,000 of the patient safety account--state appropriation is  
15 provided solely to support efforts to reduce medical errors and enhance  
16 patient safety to implement Engrossed Second Substitute House Bill No.  
17 2786 (patient safety practices). If the bill is not enacted by June  
18 30, 2004, the amount provided in this subsection shall lapse.

19 (13) \$203,000 of the health professions account--state  
20 appropriation is provided solely for a task force on improvement of  
21 health professions discipline to implement Engrossed Substitute House  
22 Bill No. 2834 (health profession discipline). If the bill is not  
23 enacted by June 30, 2004, the amount provided in this subsection shall  
24 lapse.

25 (14) \$25,000 of the general fund--state appropriation for fiscal  
26 year 2005 is provided solely to develop and implement best practices in  
27 preventative health care for children. The department and the kids get  
28 care program of public health - Seattle and King county will work in  
29 collaboration with local health care agencies to disseminate strategic  
30 interventions that are focused on evidence-based best practices for  
31 improving health outcomes in children and saving health care costs. A  
32 report shall be provided to the appropriate committees of the  
33 legislature by June 30, 2005, on the program effectiveness and cost  
34 savings. This funding shall be matched by an equal amount of local  
35 funding.

36 **Sec. 219.** 2003 1st sp.s. c 25 s 222 (uncodified) is amended to  
37 read as follows:

1 **FOR THE DEPARTMENT OF CORRECTIONS**

2 The appropriations to the department of corrections in this act  
3 shall be expended for the programs and in the amounts specified herein.  
4 However, after May 1, 2004, after approval by the director of financial  
5 management and unless specifically prohibited by this act, the  
6 department may transfer general fund--state appropriations for fiscal  
7 year 2004 between programs. The director of financial management shall  
8 notify the appropriate fiscal committees of the senate and house of  
9 representatives in writing prior to approving any deviations from  
10 appropriation levels.

11 (1) ADMINISTRATION AND SUPPORT SERVICES

12	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$38,317,000</del> ))
13		<u>\$36,534,000</u>
14	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$35,473,000</del> ))
15		<u>\$38,942,000</u>
16	Public Safety and Education Account--State	
17	Appropriation . . . . .	\$3,657,000
18	Violence Reduction and Drug Enforcement	
19	Account Appropriation . . . . .	\$26,000
20	TOTAL APPROPRIATION . . . . .	(( <del>\$77,473,000</del> ))
21		<u>\$79,159,000</u>

22 The appropriations in this subsection are subject to the following  
23 conditions and limitations: ((~~\$3,250,000~~))

24 (a) \$700,000 of the general fund--state appropriation for fiscal  
25 year 2004 ((is)) and \$2,550,000 of the general fund--state  
26 appropriation for fiscal year 2005 are provided solely for the  
27 continuation of phase two of the department's offender-based tracking  
28 system replacement project. ((This)) The amounts ((is)) are  
29 conditioned on the department satisfying the requirements of section  
30 902 of this act.

31 (b) \$107,000 of the general fund--state appropriation for fiscal  
32 year 2005 is provided solely for the implementation of Substitute House  
33 Bill No. 2661 (information on fugitives). If the bill is not enacted  
34 by June 30, 2004, the amount provided in this subsection (b) shall  
35 lapse.

36 (2) CORRECTIONAL OPERATIONS

37	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$441,122,000</del> ))
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1		<u>\$458,402,000</u>
2	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$449,520,000</del> ))
3		<u>\$477,061,000</u>
4	General Fund--Federal Appropriation . . . . .	(( <del>\$8,746,000</del> ))
5		<u>\$4,090,000</u>
6	Violence Reduction and Drug Enforcement Account--	
7	State Appropriation . . . . .	\$3,008,000
8	TOTAL APPROPRIATION . . . . .	(( <del>\$902,396,000</del> ))
9		<u>\$942,561,000</u>

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

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

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

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

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

36       (e) For the acquisition of properties and facilities, the  
37 department of corrections is authorized to enter into financial  
38 contracts, paid for from operating resources, for the purposes

1 indicated and in not more than the principal amounts indicated, plus  
2 financing expenses and required reserves pursuant to chapter 39.94 RCW.  
3 This authority applies to the following: Lease-develop with the option  
4 to purchase or lease-purchase approximately 50 work release beds in  
5 facilities throughout the state for \$3,500,000.

6 (3) COMMUNITY SUPERVISION

7	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$73,952,000</del> ))
8		<u>\$87,626,000</u>
9	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$74,200,000</del> ))
10		<u>\$88,631,000</u>
11	Public Safety and Education	
12	Account--State Appropriation . . . . .	\$15,492,000
13	TOTAL APPROPRIATION . . . . .	(( <del>\$163,644,000</del> ))
14		<u>\$191,749,000</u>

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

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

29 (c) \$100,000 of the general fund--state appropriation for fiscal  
30 year 2004 is provided solely for a pilot project to test the  
31 availability, reliability, and effectiveness of an electronic  
32 monitoring system based on passive data logging global positioning  
33 system technology for monitoring sex offenders.

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

37 (ii) The pilot project shall be of sufficient size to test the



1 reliability of the technology in a variety of geographical  
2 circumstances including both urban and rural locations.

3 (iii) The pilot project shall test the system using sex or  
4 kidnapping offenders under the jurisdiction of the department of  
5 corrections and persons civilly committed under chapter 71.09 RCW under  
6 a variety of supervision circumstances. Offenders included in the  
7 pilot project shall be offenders who have been classified as level  
8 three offenders by the end of sentence review committee and over whom  
9 the department of corrections has authority to establish conditions of  
10 supervision or persons who have been ordered to be electronically  
11 monitored by the court in a proceeding under chapter 71.09 RCW and who  
12 have been classified as level three offenders by the end of sentence  
13 review committee.

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

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

21 (A) The availability of the technology, including a description of  
22 the system used and a discussion of the various types of global  
23 positioning system-based monitoring available and appropriate for a sex  
24 offender population;

25 (B) Any geographic or weather-related limitations posed by the  
26 technology;

27 (C) The reliability, including the false alarm rate of the  
28 technology;

29 (D) Any training requirements for department of corrections staff  
30 or supervised persons;

31 (E) Any distinctions in effectiveness or feasibility for different  
32 supervision populations;

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

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

37 (H) The rate of loss or damage to equipment used by the subjects of  
38 the pilot project; and

1 (I) Limitations in the pilot project to determining the answers to  
2 the items in this subsection (3)(c)(v).

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

6 (d) \$67,000 of the general fund--state appropriation for fiscal  
7 year 2005 is provided solely for the implementation of Substitute House  
8 Bill No. 2661 (information on fugitives). If the bill is not enacted  
9 by June 30, 2004, the amount provided in this subsection (d) shall  
10 lapse.

11 (4) CORRECTIONAL INDUSTRIES

12	General Fund--State Appropriation (FY 2004) . . . . .	\$626,000
13	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$626,000)</del>
14		<u>\$663,000</u>
15	TOTAL APPROPRIATION . . . . .	<del>(\$1,252,000)</del>
16		<u>\$1,289,000</u>

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

19 (a) \$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 transfer to the jail  
22 industries board. The board shall use the amounts provided only for  
23 administrative expenses, equipment purchases, and technical assistance  
24 associated with advising cities and counties in developing, promoting,  
25 and implementing consistent, safe, and efficient offender work  
26 programs.

27 (b) \$37,000 of the general fund--state appropriation for fiscal  
28 year 2005 is provided solely for the implementation of Engrossed Second  
29 Substitute House Bill No. 3026 (correctional industries). If the bill  
30 is not enacted by June 30, 2004, the amount provided in this subsection  
31 (b) shall lapse.

32 (5) INTERAGENCY PAYMENTS

33	General Fund--State Appropriation (FY 2004) . . . . .	<del>(\$25,099,000)</del>
34		<u>\$26,259,000</u>
35	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$25,134,000)</del>
36		<u>\$26,288,000</u>
37	TOTAL APPROPRIATION . . . . .	<del>(\$50,233,000)</del>

1 \$52,547,000

2 The appropriations in this subsection are subject to the following  
3 conditions and limitations: \$70,000 of the general fund--state  
4 appropriation for fiscal year 2005 is provided solely for the  
5 implementation of Engrossed Second Substitute House Bill No. 3026  
6 (correctional industries). If the bill is not enacted by June 30,  
7 2004, the amount provided in this subsection shall lapse.

8 **Sec. 220.** 2003 1st sp.s. c 25 s 226 (uncodified) is amended to  
9 read as follows:

10 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

11	General Fund--Federal Appropriation . . . . .	\$267,586,000
12	General Fund--Private/Local Appropriation . . . . .	\$30,103,000
13	Unemployment Compensation Administration Account--	
14	Federal Appropriation . . . . .	(((\$184,878,000))
15		<u>\$191,331,000</u>
16	Administrative Contingency Account--State	
17	Appropriation . . . . .	(((\$14,721,000))
18		<u>\$12,721,000</u>
19	Employment Service Administrative Account--State	
20	Appropriation . . . . .	\$23,184,000
21	TOTAL APPROPRIATION . . . . .	(((\$520,472,000))
22		<u>\$524,925,000</u>

23 The appropriations in this subsection are subject to the following  
24 conditions and limitations: \$100,000 of the administrative contingency  
25 account appropriation is provided solely to ~~((establish an advisory~~  
26 ~~partnership on the Washington manufacturing sector as outlined in~~  
27 ~~Substitute House Bill No. 2164 (manufacturing advisory partnership) and~~  
28 ~~recommended in the report entitled manufacturing in Washington state,~~  
29 ~~1990-2002: trends and implications for the industry and state)) the~~  
30 employment security department for manufacturing economic research and  
31 surveys with findings reported to relevant legislative committees,  
32 business, and labor.

(End of part)

PART III  
NATURAL RESOURCES

Sec. 301. 2003 1st sp.s. c 25 s 302 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

General Fund--State Appropriation (FY 2004)	(( <del>\$33,464,000</del> ))
	<u>\$35,762,000</u>
General Fund--State Appropriation (FY 2005)	(( <del>\$33,263,000</del> ))
	<u>\$36,312,000</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	(( <del>\$2,019,000</del> ))
	<u>\$2,159,000</u>
State Emergency Water Projects Revolving Account--	
State Appropriation	(( <del>\$552,000</del> ))
	<u>\$725,000</u>
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	(( <del>\$1,708,000</del> ))
	<u>\$1,858,000</u>
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$593,000
Site Closure Account--State Appropriation	\$629,000
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	

1	Appropriation . . . . .	(( \$59,268,000 ))
2		<u>\$59,704,000</u>
3	State Toxics Control Account--Private/Local	
4	Appropriation . . . . .	\$353,000
5	Local Toxics Control Account--State	
6	Appropriation . . . . .	\$4,878,000
7	Water Quality Permit Account--State	
8	Appropriation . . . . .	\$25,205,000
9	Underground Storage Tank Account--State	
10	Appropriation . . . . .	\$2,710,000
11	Environmental Excellence Account--State	
12	Appropriation . . . . .	\$504,000
13	Biosolids Permit Account--State Appropriation . . . . .	\$784,000
14	Hazardous Waste Assistance Account--State	
15	Appropriation . . . . .	(( \$4,185,000 ))
16		<u>\$4,535,000</u>
17	Air Pollution Control Account--State	
18	Appropriation . . . . .	\$1,654,000
19	Oil Spill Prevention Account--State	
20	Appropriation . . . . .	(( \$7,745,000 ))
21		<u>\$7,945,000</u>
22	Air Operating Permit Account--State	
23	Appropriation . . . . .	\$3,693,000
24	Freshwater Aquatic Weeds Account--State	
25	Appropriation . . . . .	\$2,503,000
26	Oil Spill Response Account--State	
27	Appropriation . . . . .	\$7,078,000
28	Metals Mining Account--State Appropriation . . . . .	\$19,000
29	Water Pollution Control Revolving Account--	
30	State Appropriation . . . . .	(( \$380,000 ))
31		<u>\$387,000</u>
32	<u>Vehicle Tire Recycling Account--</u>	
33	<u>State Appropriation . . . . .</u>	<u>\$1,735,000</u>
34	Water Pollution Control Revolving Account--	
35	Federal Appropriation . . . . .	(( \$1,867,000 ))
36		<u>\$1,901,000</u>
37	TOTAL APPROPRIATION . . . . .	(( \$301,337,000 ))
38		<u>\$309,639,000</u>

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

3 (1) \$2,757,696 of the general fund--state appropriation for fiscal  
4 year 2004, \$2,757,696 of the general fund--state appropriation for  
5 fiscal year 2005, \$394,000 of the general fund--federal appropriation,  
6 \$2,581,000 of the state toxics account--state appropriation, \$217,830  
7 of the water quality account--state appropriation, \$322,976 of the  
8 state drought preparedness account--state appropriation, \$3,748,220 of  
9 the water quality permit account--state appropriation, and \$704,942 of  
10 the oil spill prevention account are provided solely for the  
11 implementation of the Puget Sound work plan and agency action items  
12 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

13 (2) \$4,059,000 of the state toxics control account appropriation is  
14 provided solely for methamphetamine lab clean-up activities.

15 (3) \$170,000 of the oil spill prevention account appropriation is  
16 provided solely for implementation of the Puget Sound work plan action  
17 item UW-02 through a contract with the University of Washington's sea  
18 grant program to develop an educational program targeted to small  
19 spills from commercial fishing vessels, ferries, cruise ships, ports,  
20 and marinas.

21 (4) (~~(\$1,000,000)~~) \$600,000 of the general fund--state  
22 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,400,000 of the  
23 general fund--state appropriation for fiscal year 2005 are provided  
24 solely for shoreline grants to local governments to implement  
25 Substitute Senate Bill No. 6012 (shoreline management), chapter 262,  
26 Laws of 2003.

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

30 (6) \$200,000 of the water quality account--state appropriation is  
31 provided solely for the department to contract with Washington State  
32 University cooperative extension program to provide statewide  
33 coordination and support for coordinated resource management.

34 (7) \$100,000 of the state toxics control account--state  
35 appropriation is provided solely to implement Engrossed Substitute  
36 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill  
37 is not enacted by June 30, 2003, the amount provided in this subsection  
38 shall lapse.

1 (8) The department of ecology is authorized to take one of the  
2 following actions related to the grant awarded in the 2001-03 biennium  
3 to Lincoln county for the Negro Creek flood control project, flood  
4 control assistance account program grant G0200049: (a) Carry forward  
5 to the 2003-05 biennium any unspent portion of the grant, or (b) extend  
6 the time of performance for the grant contract to the end of the 2003-  
7 2005 biennium.

8 (9) Within the amounts appropriated in this section the department  
9 shall convene and provide staff support for a water resources  
10 administration and funding task force. The task force shall develop  
11 proposals for and recommend several options for funding the state's  
12 water resource programs, including both operating programs and capital  
13 costs for water program implementation. The task force must report its  
14 findings and recommendations to the governor and the appropriate  
15 committees of the legislature by December 15, 2004.

16 (10) \$436,000 of the state toxics control account--state  
17 appropriation is provided solely to: (a) Implement the mercury  
18 chemical action plan; (b) fund rulemaking to select future chemicals  
19 for action plans; and (c) provide ongoing funding for the development  
20 and implementation of future chemical action plans. Any pesticide with  
21 a valid registration on or after the effective date of this act issued  
22 by the environmental protection agency under the federal insecticide,  
23 fungicide and rodenticide act, 7 U.S.C. 136 et seq, or any fertilizer  
24 regulated under the Washington fertilizer act, chapter 15.54 RCW, shall  
25 not be included in a persistent bioaccumulative toxin rulemaking  
26 process, list, or chemical action plan undertaken by the department of  
27 ecology.

28 (11) \$100,000 of the general fund--state appropriation for fiscal  
29 year 2005 is provided solely to support the initial phase of the  
30 federal United States Geological Survey study of the Spokane  
31 Valley-Rathdrum Prairie aquifer.

32 (12) \$400,000 of the general fund--state appropriation for fiscal  
33 year 2005 is provided solely to pursue resolution of federal and tribal  
34 rights to water in Washington state consistent with comprehensive state  
35 water resources planning under chapter 90.54 RCW. Of this amount,  
36 \$200,000 is provided solely for mediation efforts with the Lummi Nation  
37 and \$200,000 is provided solely for state participation in a federal

1 pilot process to determine and quantify the water rights of the Tulalip  
2 Tribes.

3 (13) \$100,000 of the oil spill prevention account appropriation is  
4 provided solely to implement Second Substitute House Bill No. 3112  
5 (marine fuel facilities). If the bill is not enacted by June 30, 2004,  
6 the amount provided in this subsection shall lapse.

7 (14) \$100,000 of the oil spill prevention account appropriation is  
8 provided solely to implement Substitute House Bill No. 3020 (oil spill  
9 management). If the bill is not enacted by June 30, 2004, the amount  
10 provided in this subsection shall lapse.

11 (15) \$1,735,000 of the vehicle tire recycling account appropriation  
12 is provided solely to implement Engrossed Substitute House Bill No.  
13 3054 (restoring the vehicle tire fee). If the bill is not enacted by  
14 June 30, 2004, the amount provided in this subsection shall lapse.

15 (16) \$65,000 of the general fund--state appropriation for fiscal  
16 year 2005 is provided solely to implement Engrossed Substitute House  
17 Bill No. 2488 (electronic products). If the bill is not enacted by  
18 June 30, 2004, the amounts provided in this subsection shall lapse.

19 (17) \$2,012,000 of the general fund--state appropriation for fiscal  
20 year 2005 is provided solely for (a) establishing instream flows by  
21 rule for main stem rivers and their key tributaries in the state  
22 through application of standards adopted pursuant to chapters 90.22 and  
23 90.54 RCW; securing independent scientific review of the state's  
24 instream flow program; investing in the streamflow gauges and related  
25 information systems to assist in implementation of watershed plans, and  
26 studying the recharge management of flood waters; (b) working with  
27 counties that have existing geographic information systems to map  
28 existing water rights and document current ownership, compiling  
29 existing watershed planning unit assessments to document current use of  
30 water in comparison to existing paper water rights, evaluating  
31 alternative administrative systems for determining existing water  
32 rights; and (c) assign one water master to a basin that has been  
33 adjudicated.

34 (18) \$2,500,000 of the general fund--state appropriation for fiscal  
35 year 2004 is provided solely for a one-time payment to settle all  
36 claims in a suit against the state in the *Envirotest v. Department of*  
37 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.



1       (19) \$350,000 of the hazardous waste assistance account  
2 appropriation is provided solely for rulemaking to require closure  
3 plans, liability coverage, and financial assurances for hazardous waste  
4 management facilities.

5       (20) \$16,000 of the general fund--state appropriation for fiscal  
6 year 2004 and \$254,000 of the general fund--state appropriation for  
7 fiscal year 2005 are contingent on the enactment of House Bill No. 3202  
8 (water rights fees). If the bill is not enacted by June 30, 2004, the  
9 amounts provided in this subsection shall lapse.

10       **Sec. 302.** 2003 1st sp.s. c 25 s 303 (uncodified) is amended to  
11 read as follows:

12 **FOR THE STATE PARKS AND RECREATION COMMISSION**

13	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$29,986,000</del> ))
14		<u>\$30,015,000</u>
15	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$29,976,000</del> ))
16		<u>\$30,034,000</u>
17	General Fund--Federal Appropriation . . . . .	\$2,666,000
18	General Fund--Private/Local Appropriation . . . . .	\$63,000
19	Winter Recreation Program Account--State	
20	Appropriation . . . . .	\$1,079,000
21	Off Road Vehicle Account--State Appropriation . . . . .	\$285,000
22	Snowmobile Account--State Appropriation . . . . .	\$4,790,000
23	Aquatic Lands Enhancement Account--State	
24	Appropriation . . . . .	\$332,000
25	Public Safety and Education Account--State	
26	Appropriation . . . . .	\$47,000
27	<u>Parks Renewal and Stewardship Account--</u>	
28	<u>    Private/Local Appropriation . . . . .</u>	<u>\$300,000</u>
29	Parks Renewal and Stewardship Account--	
30	State Appropriation . . . . .	(( <del>\$33,769,000</del> ))
31		<u>\$34,431,000</u>
32	TOTAL APPROPRIATION . . . . .	(( <del>\$102,993,000</del> ))
33		<u>\$104,042,000</u>

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 2003-05 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 2004, \$79,000 of the general fund--state appropriation for fiscal  
5 year 2005, and \$8,000 of the winter recreation program account--state  
6 appropriation are provided solely for a grant for the operation of the  
7 Northwest avalanche center.

8 (3) \$191,000 of the aquatic lands enhancement account appropriation  
9 is provided solely for the implementation of the Puget Sound work plan  
10 and agency action item P+RC-02.

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

15 (5) \$72,000 of the parks renewal and stewardship account--state  
16 appropriation is provided solely for one-time and ongoing computer  
17 system improvements and technical support.

18 **Sec. 303.** 2003 1st sp.s. c 25 s 304 (uncodified) is amended to  
19 read as follows:

20 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

21	General Fund--State Appropriation (FY 2004) . . . . .	\$1,246,000
22	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$1,256,000)</del>
23		<u>\$1,481,000</u>
24	General Fund--Federal Appropriation . . . . .	\$17,983,000
25	<u>General Fund--Private/Local Appropriation . . . . .</u>	<u>\$125,000</u>
26	Firearms Range Account--State Appropriation . . . . .	\$22,000
27	Recreation Resources Account--State	
28	Appropriation . . . . .	\$2,608,000
29	NOVA Program Account--State Appropriation . . . . .	\$691,000
30	Water Quality Account--State Appropriation . . . . .	\$200,000
31	Aquatic Lands Enhancement Account--State Appropriation . . . . .	\$254,000
32	TOTAL APPROPRIATION . . . . .	<del>(\$24,260,000)</del>
33		<u>\$24,610,000</u>

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

36 (1) \$16,000,000 of the general fund--federal appropriation is

1 provided solely for implementation of the forest and fish agreement  
2 rules. These funds will be passed through to the department of natural  
3 resources and the department of fish and wildlife.

4 (2) \$41,000 of the general fund--state appropriation for fiscal  
5 year 2004 and \$41,000 of the general fund--state appropriation for  
6 fiscal year 2005 are provided solely for the operation and maintenance  
7 of the natural resources data portal.

8 (3) \$812,000 of the general fund--state appropriation for fiscal  
9 year 2004, \$813,000 of the general fund--state appropriation for fiscal  
10 year 2005, and \$1,625,000 of the general fund--federal appropriation  
11 are provided to the salmon recovery funding board for distribution to  
12 lead entities. The board may establish policies to require  
13 coordination of funding requests from lead entities and regional  
14 recovery boards to ensure that recovery efforts are synchronized. At  
15 the discretion of the board, funding shall be concentrated in  
16 watersheds within the highest priority salmon recovery regions as  
17 defined by the statewide strategy to recover salmon. The board shall  
18 also coordinate funding decisions with the northwest power planning  
19 council to ensure maximum efficiency and investment return.

20 (4) \$234,000 of the general fund--state appropriation for fiscal  
21 year 2004 and \$234,000 of the general fund--state appropriation for  
22 fiscal year 2005 are provided solely to implement priority  
23 recommendations developed by the monitoring oversight committee as  
24 directed by RCW 77.85.210. Within these funds, activity shall be  
25 directed to improve monitoring oversight within watersheds, enhance  
26 data coordination and access among recovery partners, and produce a  
27 state watershed health report card.

28 (5) \$125,000 of the general fund--state appropriation for fiscal  
29 year 2005 and \$125,000 of the general fund--private/local appropriation  
30 are provided solely for implementation of a statewide biodiversity  
31 conservation strategy.

32 (6) \$100,000 of the general fund--state appropriation for fiscal  
33 year 2005 is provided solely to implement Engrossed Substitute House  
34 Bill No. 2275 (habitat conservation program). If the bill is not  
35 enacted by June 30, 2004, the amount provided in this subsection shall  
36 lapse.

1       **Sec. 304.** 2003 1st sp.s. c 25 s 305 (uncodified) is amended to  
2 read as follows:

3       **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

4	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$923,000</del> ))
5		<u>\$934,000</u>
6	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$960,000</del> ))
7		<u>\$998,000</u>
8	TOTAL APPROPRIATION . . . . .	(( <del>\$1,883,000</del> ))
9		<u>\$1,932,000</u>

10       The appropriations in this section are subject to the following  
11 conditions and limitations: \$30,000 of the general fund--state  
12 appropriation for fiscal year 2004 and \$20,000 of the general fund--  
13 state appropriation for fiscal year 2005 are provided solely to  
14 implement Engrossed Substitute Senate Bill No. 5776 (review of permit  
15 decisions), chapter 393, Laws of 2003.

16       **Sec. 305.** 2003 1st sp.s. c 25 s 306 (uncodified) is amended to  
17 read as follows:

18       **FOR THE CONSERVATION COMMISSION**

19	General Fund--State Appropriation (FY 2004) . . . . .	\$2,234,000
20	General Fund--State Appropriation (FY 2005) . . . . .	\$2,245,000
21	Water Quality Account--State Appropriation . . . . .	(( <del>\$2,162,000</del> ))
22		<u>\$2,412,000</u>
23	TOTAL APPROPRIATION . . . . .	(( <del>\$6,641,000</del> ))
24		<u>\$6,891,000</u>

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

27       (1) \$247,000 of the general fund--state appropriation for fiscal  
28 year 2004 and \$247,000 of the general fund--state appropriation for  
29 fiscal year 2005 are provided solely for the implementation of the  
30 Puget Sound work plan and agency action item CC-01.

31       (2) \$118,000 of the general fund--state appropriation for fiscal  
32 year 2004 and \$121,000 of the general fund--state appropriation for  
33 fiscal year 2005 are provided solely to implement Engrossed Second  
34 Substitute House Bill No. 1418 (drainage infrastructure), chapter 391,  
35 Laws of 2003.

36       (3) \$250,000 of the water quality account--state appropriation is  
37 provided solely for grants to conservation districts. Grants shall

1 provide for education, outreach, and technical assistance programs to  
 2 assist owners and operators of concentrated animal feeding operations  
 3 with compliance issues related to federal concentrated animal feeding  
 4 operations requirements and the department of agriculture's livestock  
 5 nutrient management program.

6 **Sec. 306.** 2003 1st sp.s. c 25 s 307 (uncodified) is amended to  
 7 read as follows:

8 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

9	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$41,453,000</del> ))
10		<u>\$41,600,000</u>
11	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$40,179,000</del> ))
12		<u>\$40,494,000</u>
13	General Fund--Federal Appropriation . . . . .	(( <del>\$31,632,000</del> ))
14		<u>\$40,316,000</u>
15	General Fund--Private/Local Appropriation . . . . .	(( <del>\$24,300,000</del> ))
16		<u>\$29,420,000</u>
17	Off Road Vehicle Account--State	
18	Appropriation . . . . .	\$501,000
19	Aquatic Lands Enhancement Account--State	
20	Appropriation . . . . .	\$5,620,000
21	Public Safety and Education Account--State	
22	Appropriation . . . . .	\$562,000
23	Recreational Fisheries Enhancement Account--	
24	State Appropriation . . . . .	(( <del>\$3,392,000</del> ))
25		<u>\$3,467,000</u>
26	Warm Water Game Fish Account--State	
27	Appropriation . . . . .	\$2,568,000
28	Eastern Washington Pheasant Enhancement Account--	
29	State Appropriation . . . . .	\$750,000
30	Wildlife Account--State Appropriation . . . . .	(( <del>\$57,138,000</del> ))
31		<u>\$58,922,000</u>
32	Wildlife Account--Federal Appropriation . . . . .	(( <del>\$38,216,000</del> ))
33		<u>\$29,532,000</u>
34	Wildlife Account--Private/Local	
35	Appropriation . . . . .	(( <del>\$15,158,000</del> ))
36		<u>\$10,038,000</u>
37	(( <del>Game</del> )) Special Wildlife Account--State	

1	Appropriation . . . . .	(( <del>\$1,949,000</del> ))
2		<u>\$1,968,000</u>
3	(( <del>Game</del> )) Special Wildlife Account--Federal	
4	Appropriation . . . . .	(( <del>\$9,598,000</del> ))
5		<u>\$8,720,000</u>
6	(( <del>Game</del> )) Special Wildlife Account--Private/Local	
7	Appropriation . . . . .	\$350,000
8	Environmental Excellence Account--State	
9	Appropriation . . . . .	\$15,000
10	Regional Fisheries Salmonid Recovery Account--	
11	Federal Appropriation . . . . .	\$1,750,000
12	Oil Spill Prevention Account--State	
13	Appropriation . . . . .	\$981,000
14	Oyster Reserve Land Account--State	
15	Appropriation . . . . .	(( <del>\$137,000</del> ))
16		<u>\$411,000</u>
17	TOTAL APPROPRIATION . . . . .	(( <del>\$276,249,000</del> ))
18		<u>\$277,985,000</u>

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

21 (1) \$1,355,714 of the general fund--state appropriation for fiscal  
22 year 2004, \$1,355,713 of the general fund--state appropriation for  
23 fiscal year 2005, and \$402,000 of the wildlife account--state  
24 appropriation are provided solely for the implementation of the Puget  
25 Sound work plan and agency action items DFW-01 through DFW-06.

26 (2) \$225,000 of the general fund--state appropriation for fiscal  
27 year 2004, \$225,000 of the general fund--state appropriation for fiscal  
28 year 2005, and \$550,000 of the wildlife account--state appropriation  
29 are provided solely for the implementation of hatchery reform  
30 recommendations defined by the hatchery scientific review group.

31 (3) ((~~\$850,000~~)) \$1,016,000 of the wildlife account--state  
32 appropriation is provided solely for stewardship and maintenance needs  
33 on agency-owned lands and water access sites.

34 (4) \$900,000 of the wildlife fund--state appropriation is provided  
35 solely for wetland restoration activities for migratory waterfowl by  
36 providing landowner incentives to create or maintain waterfowl habitat  
37 and management activities.

1 (5) \$2,000,000 of the aquatic lands enhancement account  
2 appropriation is provided for cooperative volunteer projects.

3 (6) The department shall support the activities of the aquatic  
4 nuisance species coordination committee to foster state, federal,  
5 tribal, and private cooperation on aquatic nuisance species issues.  
6 The committee shall strive to prevent the introduction of nonnative  
7 aquatic species and to minimize the spread of species that are  
8 introduced.

9 (7) The department shall develop and implement an activity-based  
10 costing system. The system shall be operational no later than January  
11 1, 2004.

12 (8) \$400,000 of the wildlife account--state appropriation is  
13 provided solely to implement the department's information systems  
14 strategic plan to include continued implementation of a personal  
15 computer leasing plan, an upgrade of computer back-up systems, systems  
16 architecture assessment, and network security analysis.

17 (9) Within funds provided, the department shall make available  
18 enforcement and biological staff to respond and take appropriate action  
19 to ensure public safety in response to public complaints regarding bear  
20 and cougar.

21 (10) \$43,000 of the general fund--state appropriation for fiscal  
22 year 2004 and \$42,000 of the general fund--state appropriation for  
23 fiscal year 2005 are provided solely for staffing and operation of the  
24 Tennant Lake interpretive center.

25 (11) \$80,000 of the general fund--state appropriation for fiscal  
26 year 2004 and \$77,000 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 (12) \$25,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$25,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely to implement Engrossed Second  
33 Substitute House Bill No. 1338 (municipal water rights). If the bill  
34 is not enacted by June 30, 2003, the amounts provided in this  
35 subsection shall lapse.

36 (13) \$110,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$110,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for economic adjustment assistance  
2 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

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

8 (15) \$75,000 of the recreational fisheries enhancement account and  
9 \$75,000 of the state wildlife account--state appropriation are provided  
10 solely to implement additional selective recreational fisheries to  
11 include one additional fishery each in eastern and western Washington.  
12 The department shall determine the eastern Washington fishery, and the  
13 western Washington fishery shall be for Lake Washington sockeye.

14 (16) \$60,000 of the general fund--state appropriation for fiscal  
15 year 2005 is provided solely for implementation of Substitute House  
16 Bill No. 2920 (special economic recreational fisheries). If the bill  
17 is not enacted by June 30, 2004, the amount provided in this subsection  
18 shall lapse.

19 (17) \$16,000 of the wildlife account--state appropriation is  
20 provided solely for implementation of Substitute House Bill No. 2621  
21 (razor clam license). If the bill is not enacted by June 30, 2004, the  
22 amount provided in this subsection shall lapse.

23 (18) \$417,000 of the wildlife account--state appropriation is  
24 provided solely to implement Substitute House Bill No. 2431 (Dungeness  
25 crab card). If the bill is not enacted by June 30, 2004, the amount  
26 provided in this subsection shall lapse.

27 (19) \$112,000 of the general fund--state appropriation for fiscal  
28 year 2005 is provided solely to buy back purse seine fishing licenses.

29 (20) \$180,000 of the wildlife account--state appropriation is  
30 provided solely to test deer and elk for chronic wasting disease and to  
31 document the extent of swan lead poisoning. Of this amount, \$65,000 is  
32 provided solely to document the extent of swan lead poisoning and to  
33 begin environmental cleanup.

34 (21) \$122,000 of the wildlife account--state appropriation is  
35 provided solely to reimburse the department of natural resources for  
36 fire suppression costs incurred on department of fish and wildlife  
37 lands.



1       **Sec. 307.** 2003 1st sp.s. c 25 s 308 (uncodified) is amended to  
2 read as follows:

3 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

4	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$30,307,000</del> ))
5		<u>\$54,329,000</u>
6	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$34,233,000</del> ))
7		<u>\$35,196,000</u>
8	General Fund--Federal Appropriation . . . . .	(( <del>\$3,809,000</del> ))
9		<u>\$5,116,000</u>
10	General Fund--Private/Local Appropriation . . . . .	\$2,482,000
11	Forest Development Account--State	
12	Appropriation . . . . .	(( <del>\$52,060,000</del> ))
13		<u>\$52,210,000</u>
14	Off Road Vehicle Account--State	
15	Appropriation . . . . .	(( <del>\$4,028,000</del> ))
16		<u>\$4,029,000</u>
17	Surveys and Maps Account--State	
18	Appropriation . . . . .	(( <del>\$2,760,000</del> ))
19		<u>\$2,761,000</u>
20	Aquatic Lands Enhancement Account--State	
21	Appropriation . . . . .	(( <del>\$6,884,000</del> ))
22		<u>\$6,925,000</u>
23	Resources Management Cost Account--State	
24	Appropriation . . . . .	(( <del>\$70,391,000</del> ))
25		<u>\$70,618,000</u>
26	Surface Mining Reclamation Account--State	
27	Appropriation . . . . .	\$2,293,000
28	Disaster Response Account--State Appropriation . . . . .	\$7,200,000
29	Water Quality Account--State Appropriation . . . . .	\$2,479,000
30	Aquatic Land Dredged Material Disposal Site	
31	Account--State Appropriation . . . . .	\$1,311,000
32	Natural Resource Conservation Areas Stewardship	
33	Account Appropriation . . . . .	\$83,000
34	Air Pollution Control Account--State	
35	Appropriation . . . . .	\$526,000
36	Agricultural College Trust Management Account	
37	Appropriation . . . . .	(( <del>\$1,868,000</del> ))
38		<u>\$1,872,000</u>

1	Derelict Vessel Removal Account--State	
2	Appropriation . . . . .	\$1,130,000
3	TOTAL APPROPRIATION . . . . .	<del>(( \$223,844,000 ))</del>
4		<u>\$250,560,000</u>

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

7       (1) \$18,000 of the general fund--state appropriation for fiscal  
8 year 2004, \$18,000 of the general fund--state appropriation for fiscal  
9 year 2005, and \$1,006,950 of the aquatic lands enhancement account  
10 appropriation are provided solely for the implementation of the Puget  
11 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

12       (2) \$908,000 of the general fund--state appropriation for fiscal  
13 year 2004 and \$910,000 of the general fund--state appropriation for  
14 fiscal year 2005 are provided solely for deposit into the agricultural  
15 college trust management account and are provided solely to manage  
16 approximately 70,700 acres of Washington State University's  
17 agricultural college trust lands.

18       (3) ~~(( \$1,158,000 ))~~ \$24,674,000 of the general fund--state  
19 appropriation for fiscal year 2004, \$8,358,000 of the general fund--  
20 state appropriation for fiscal year 2005, and \$7,200,000 of the  
21 disaster response account--state appropriation are provided solely for  
22 emergency fire suppression. One-time funding is provided for incurred  
23 and anticipated emergency fire suppression costs during fiscal year  
24 2004, in excess of the department's existing fire suppression  
25 appropriations. Funding provided in this subsection shall not be  
26 allocated to cover any portion of agency indirect and administrative  
27 expenses.

28       (4) \$582,000 of the aquatic lands enhancement account appropriation  
29 is provided solely for spartina control.

30       (5) Fees approved by the board of natural resources in the 2003-05  
31 biennium are authorized to exceed the fiscal growth factor under RCW  
32 43.135.055.

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

1 (7) Authority to expend funding for acquisition of technology  
2 equipment and software associated with development of a new revenue  
3 management system is conditioned on compliance with section 902 of this  
4 act.

5 (8) \$1,000,000 of the aquatic lands enhancement account--state  
6 appropriation is 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) For the 2003-05 fiscal biennium, the department has revised the  
10 methodology by which administrative costs of the department are  
11 allocated among the state general fund and the various dedicated funds  
12 and accounts from which the department receives appropriations. The  
13 legislature recognizes that the revised methodology represents a fair  
14 and equitable allocation of costs under state law and accounting rules.  
15 The legislature further finds that retroactive application of the  
16 revised methodology is neither practical nor desirable.

17 (10) The department of natural resources shall provide a report to  
18 the appropriate committees of the legislature, the office of financial  
19 management, and the board of natural resources concerning the costs and  
20 effectiveness of the contract harvesting program as authorized by  
21 Second Substitute Senate Bill No. 5074 (contract harvesting), chapter  
22 313, Laws of 2003. The report shall be submitted by December 31, 2006,  
23 and shall include the following information:

24 (a) Number of sales conducted through contract harvesting;

25 (b) For each sale conducted, the (i) number of board feet sold;  
26 (ii) stumpage and pond prices; (iii) difference in revenues received  
27 compared to revenues that would have accrued through noncontract  
28 harvest sales, and the distribution of revenues to the contract  
29 harvesting revolving account, and to applicable management and trust  
30 accounts; and (iv) total cost to conduct the contract harvest, by fund  
31 and object of expenditure; and

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

33 (11) \$208,000 of the general fund--state appropriation of fiscal  
34 year 2004 and \$70,000 of the general fund--state appropriation for  
35 fiscal year 2005 are provided solely to implement Second Substitute  
36 House Bill No. 1095 (small forest landowners), chapter 311, Laws of  
37 2003.

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

5 (13) \$4,000 of the general fund--state appropriation for fiscal  
6 year 2004 and \$4,000 of the general fund--state appropriation for  
7 fiscal year 2005 are provided solely to compensate the forest board  
8 trust for a portion of the lease to the Crescent television improvement  
9 district consistent with RCW 79.12.055.

10 (14) \$2,700,000 of the general fund--state appropriation for fiscal  
11 year 2004 is provided solely to the department of natural resources to  
12 acquire approximately 232 acres of land and timber in Klickitat county  
13 from the SDS lumber company. Expenditure of the moneys provided in  
14 this subsection shall not be made until the SDS lumber company accepts  
15 the land and timber acquisition as full and complete settlement of the  
16 current litigation brought by the SDS lumber company against the state  
17 and the litigation is dismissed, with prejudice. The land and timber  
18 acquired with the funding in this subsection shall be managed for the  
19 benefit of the common schools. By June 30, 2004, if the department has  
20 not recovered through trust asset management the state's capital  
21 investment from the land acquisition provided in this subsection, the  
22 department shall seek reimbursement from the federal government.

23 (15) \$265,000 of the aquatic lands enhancement account  
24 appropriation is provided solely for developing a pilot project to  
25 study the feasibility of geoduck aquaculture on both intertidal and  
26 subtidal lands in the state of Washington.

27 (16) \$60,000 of the general fund--state appropriation for fiscal  
28 year 2004 is provided solely for habitat restoration work in the Loomis  
29 natural resource area.

30 (17) \$440,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$500,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for legal defense costs in *Pacific*  
33 *Sound Resources v. Burlington Northern Santa Fe Railroad et al.*

34 (18) \$450,000 of the general fund--state appropriation for fiscal  
35 year 2005 is provided solely to maintain department-managed trails,  
36 campsites, and other areas or lands that are open for public use. The  
37 department shall ensure that these sites will remain open and operating  
38 at their current level of service.

1       (19) \$48,000 of the forest development account--state appropriation  
 2 and \$113,000 of the resources management cost account--state  
 3 appropriation are provided solely for implementation of Substitute  
 4 House Bill No. 2506 (allowing property owners to acquire access to  
 5 landlocked parcels across public lands). If the bill is not enacted by  
 6 June 30, 2004, the amounts provided in this subsection shall lapse.

7       (20) \$87,000 of the forest development account--state  
 8 appropriation, \$87,000 of the resources management cost account--state  
 9 appropriation, and \$4,000 of the agricultural college trust management  
 10 account--state appropriation are provided solely for implementation of  
 11 Engrossed Substitute House Bill No. 2753 (state-owned forest land). If  
 12 the bill is not enacted by June 30, 2004, the amounts provided in this  
 13 subsection shall lapse.

14       (21) \$40,000 of the aquatic lands enhancement account appropriation  
 15 is provided solely for the department to (a) calculate the rent for  
 16 DNR-leased marinas based on a percentage of a marina's income and (b)  
 17 recommend an appropriate formula to the 2005 legislature.

18       **Sec. 308.** 2003 1st sp.s. c 25 s 309 (uncodified) is amended to  
 19 read as follows:

20 **FOR THE DEPARTMENT OF AGRICULTURE**

21	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$7,444,000</del> ))
22		<u>\$7,636,000</u>
23	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$7,244,000</del> ))
24		<u>\$11,491,000</u>
25	General Fund--Federal Appropriation . . . . .	\$10,068,000
26	General fund--Private/Local Appropriation . . . . .	\$1,110,000
27	Aquatic Lands Enhancement Account--State	
28	Appropriation . . . . .	(( <del>\$1,942,000</del> ))
29		<u>\$2,027,000</u>
30	Water Quality Account--State Appropriation . . . . .	\$692,000
31	State Toxics Control Account--State	
32	Appropriation . . . . .	(( <del>\$2,580,000</del> ))
33		<u>\$2,780,000</u>
34	Water Quality Permit Account--State Appropriation . . . . .	\$165,000
35	TOTAL APPROPRIATION . . . . .	(( <del>\$31,245,000</del> ))
36		<u>\$35,969,000</u>

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

3 (1) \$37,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$37,000 of the general fund--state appropriation for  
5 fiscal year 2005 are provided solely for implementation of the Puget  
6 Sound work plan and agency action item WSDA-01.

7 (2) Fees and assessments approved by the department in the 2003-05  
8 biennium are authorized to exceed the fiscal growth factor under RCW  
9 43.135.055.

10 (3) \$165,000 of the water quality permit account--state  
11 appropriation and \$692,000 of the water quality account--state  
12 appropriation are provided solely to implement Engrossed Substitute  
13 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of  
14 2003.

15 (4) \$53,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$15,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely to implement Engrossed Substitute  
18 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

19 (5) \$42,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$287,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for animal identification, food  
22 safety, and commercial feed inspection programs.

23 (6) \$150,000 of the general fund--state appropriation for fiscal  
24 year 2004 is provided solely for response costs to the discovery of  
25 bovine spongiform encephalopathy in a Washington dairy cow.

26 (7) \$630,000 of the general fund--state appropriation for fiscal  
27 year 2005 is provided solely for the "from the heart of Washington"  
28 campaign, southeast Asia/China trade representatives, and for the small  
29 farm and direct marketing program.

30 (8) \$85,000 of the aquatic lands enhancement account appropriation  
31 is provided solely for spartina eradication efforts in Willapa Bay and  
32 Grays Harbor.

33 (9) \$330,000 of the general fund--state appropriation for fiscal  
34 year 2005 is provided solely to contract with Washington State  
35 University for research and development activities related to asparagus  
36 harvesting and automation technology.

37 (10) \$3,000,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for the purchase of agricultural products  
2 packing equipment. The department shall negotiate an appropriate  
3 agreement with the agricultural industry for the use of the equipment.

4 **Sec. 309.** 2003 1st sp.s. c 25 s 310 (uncodified) is amended to  
5 read as follows:

6 **FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**

7 Pollution Liability Insurance Program Trust Account--

8 State Appropriation . . . . . (~~(\$984,000)~~)  
9 \$808,000

(End of part)

PART IV  
TRANSPORTATION

Sec. 401. 2003 1st sp.s. c 25 s 401 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LICENSING**

General Fund--State Appropriation (FY 2004)	(( <del>\$4,986,000</del> ))
	<u>\$5,085,000</u>
General Fund--State Appropriation (FY 2005)	(( <del>\$4,988,000</del> ))
	<u>\$4,978,000</u>
Architects' License Account--State	
Appropriation	(( <del>\$696,000</del> ))
	<u>\$706,000</u>
Cemetery Account--State Appropriation	(( <del>\$235,000</del> ))
	<u>\$249,000</u>
Professional Engineers' Account--State	
Appropriation	(( <del>\$3,025,000</del> ))
	<u>\$2,938,000</u>
Real Estate Commission Account--State Appropriation	(( <del>\$7,111,000</del> ))
	<u>\$7,048,000</u>
Master License Account--State Appropriation	(( <del>\$9,110,000</del> ))
	<u>\$8,922,000</u>
Uniform Commercial Code Account--State	
Appropriation	(( <del>\$2,987,000</del> ))
	<u>\$2,837,000</u>
Real Estate Education Account--State	
Appropriation	(( <del>\$277,000</del> ))
	<u>\$275,000</u>
Real Estate Appraisers Commission Account--State	
Appropriation	(( <del>\$927,000</del> ))
	<u>\$1,041,000</u>
Geologist's Account--State	
Appropriation	(( <del>\$7,000</del> ))
	<u>\$21,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation	(( <del>\$521,000</del> ))
	<u>\$532,000</u>



1	Washington Real Estate Research Account--State	
2	Appropriation . . . . .	(( <del>\$308,000</del> ))
3		<u>\$302,000</u>
4	Data Processing Revolving Account--State	
5	Appropriation . . . . .	\$29,000
6	<u>Derelict Vessel Removal Account--State</u>	
7	<u>Appropriation . . . . .</u>	<u>\$31,000</u>
8	TOTAL APPROPRIATION . . . . .	(( <del>\$35,207,000</del> ))
9		<u>\$34,994,000</u>

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

12       (1) In accordance with RCW 43.24.086, it is the policy of the state  
13 of Washington that the cost of each professional, occupational, or  
14 business licensing program be fully borne by the members of that  
15 profession, occupation, or business. For each licensing program  
16 covered by RCW 43.24.086, the department shall set fees at levels  
17 sufficient to fully cover the cost of administering the licensing  
18 program, including any costs associated with policy enhancements funded  
19 in the 2003-05 fiscal biennium. Pursuant to RCW 43.135.055, during the  
20 2003-05 fiscal biennium, the department may increase fees in excess of  
21 the fiscal growth factor if the increases are necessary to fully fund  
22 the costs of the licensing programs.

23       (2) \$95,000 of the real estate appraiser commission account--state  
24 appropriation is provided solely to implement Second Substitute House  
25 Bill No. 1897 (real estate appraisers). If the bill is not enacted by  
26 June 30, 2004, the amount provided in this subsection shall lapse.

27       (3) \$2,000 of the master license account--state appropriation is  
28 provided solely to implement Substitute House Bill No. 3082 (landlord  
29 and tenant disputes). If the bill is not enacted by June 30, 2004, the  
30 amount provided in this subsection shall lapse.

31       (4) \$15,000 of the general fund--state appropriation for fiscal  
32 year 2005 is provided solely to implement Substitute House Bill No.  
33 2313 (bail bond agents). If the bill is not enacted by June 30, 2004,  
34 the amount provided in this subsection shall lapse.

35       **Sec. 402.** 2003 1st sp.s. c 25 s 402 (uncodified) is amended to  
36 read as follows:

1	<b>FOR THE STATE PATROL</b>	
2	General Fund--State Appropriation (FY 2004) . . . . .	\$20,005,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$18,855,000
4	General Fund--Federal Appropriation . . . . .	\$4,240,000
5	General Fund--Private/Local Appropriation . . . . .	\$378,000
6	Death Investigations Account--State	
7	Appropriation . . . . .	\$4,489,000
8	Public Safety and Education Account--State	
9	Appropriation . . . . .	<del>(\$20,852,000)</del>
10		<u>\$21,969,000</u>
11	Enhanced 911 Account--State Appropriation . . . . .	\$612,000
12	County Criminal Justice Assistance Account--State	
13	Appropriation . . . . .	\$2,649,000
14	Municipal Criminal Justice Assistance Account--	
15	State Appropriation . . . . .	\$1,087,000
16	Fire Service Trust Account--State	
17	Appropriation . . . . .	\$125,000
18	Fire Service Training Account--State	
19	Appropriation . . . . .	\$7,374,000
20	State Toxics Control Account--State	
21	Appropriation . . . . .	\$436,000
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation . . . . .	\$286,000
24	Fingerprint Identification Account--State	
25	Appropriation . . . . .	<del>(\$4,405,000)</del>
26		<u>\$5,393,000</u>
27	TOTAL APPROPRIATION . . . . .	<del>(\$85,793,000)</del>
28		<u>\$87,898,000</u>

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

31 (1) \$750,000 of the fire service training account--state  
32 appropriation is provided solely for the implementation of Senate Bill  
33 No. 5176 (fire fighting training). If the bill is not enacted by June  
34 30, 2003, the amount provided in this subsection shall lapse.

35 (2) \$200,000 of the fire service training account--state  
36 appropriation is provided solely for two FTE's in the office of state  
37 fire marshal to exclusively review K-12 construction documents for fire  
38 and life safety in accordance with the state building code. It is the

1 intent of this appropriation to provide these services only to those  
2 districts that are located in counties without qualified review  
3 capabilities.

4 (3) \$376,000 of the public safety and education account--state  
5 appropriation is provided solely for additional DNA testing kits.

6 (4) \$276,000 of the fingerprint identification account--state  
7 appropriation is provided solely for the implementation of Substitute  
8 House Bill No. 2532 (modifying commercial driver's license provisions).  
9 If the bill is not enacted by June 30, 2004, the amount provided in  
10 this subsection shall lapse.

(End of part)

PART V  
EDUCATION

Sec. 501. 2003 1st sp.s. c 25 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) . . . . .	(( <del>\$11,772,000</del> ))
	<u>\$11,615,000</u>
General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$11,761,000</del> ))
	<u>\$11,960,000</u>
General Fund--Federal Appropriation . . . . .	(( <del>\$15,921,000</del> ))
	<u>\$26,968,000</u>
TOTAL APPROPRIATION . . . . .	(( <del>\$39,454,000</del> ))
	<u>\$50,543,000</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.

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

(c) \$416,000 of the general fund--state appropriation for fiscal year 2004 and ((~~\$416,000~~)) \$537,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the Washington professional educator standards board. Within the amounts provided, the Washington professional educator standards board (WPESB) shall submit a report regarding specific implementation strategies to strengthen reading and mathematics initiatives by improving teacher knowledge and skill development including: (i) Teacher preparation program approval standard changes; (ii) teacher certification requirement changes and the development of new expertise credentials; (iii) state-established

1 standards to guide the approval of professional development providers  
2 and offerings related to reading and mathematics; and (iv) other  
3 related recommendations. The WPESB shall base the recommendations on  
4 determinations of the status of teacher preparation and professional  
5 development opportunities and work with appropriate parties. The WPESB  
6 shall submit the report to the governor, superintendent of public  
7 instruction, state board of education, and the education and fiscal  
8 committees of the legislature by November 1, 2004.

9 ~~(d) ((\$157,000 of the general fund--state appropriation for fiscal~~  
10 ~~year 2004 and \$149,000 of the general fund--state appropriation for~~  
11 ~~fiscal year 2005 are provided solely for the implementation of~~  
12 ~~Substitute Senate Bill No. 5012 (charter schools). If the bill is not~~  
13 ~~enacted by June 30, 2003, the amounts provided in this subsection shall~~  
14 ~~lapse.~~

15 (e)) The department of social and health services, the office of  
16 the superintendent of public instruction, and the department of health  
17 should work together to identify opportunities for early intervention  
18 and prevention activities that can help prevent disease and reduce oral  
19 health issues among children. Disease prevention among infants at the  
20 age of one year and among children entering the K-12 education system  
21 provide cost-effective ways to avoid higher health spending later in  
22 life.

23 (e) \$100,000 of the general fund--state appropriation for fiscal  
24 year 2005 is provided solely for the development of kindergarten  
25 readiness guidelines, in collaboration with the governor's office.

26 (f) \$44,000 of the general fund--state appropriation for fiscal  
27 year 2005 is provided solely to implement Substitute House Bill No.  
28 2456 (school employee applicants). If Substitute House Bill No. 2456  
29 is not enacted by June 30, 2004, the amount in this subsection shall  
30 lapse.

31 (g) \$25,000 of the general fund--state appropriation for fiscal  
32 year 2005 is provided solely to implement Engrossed Substitute House  
33 Bill No. 2406 (tribal history curriculum). If Substitute House Bill  
34 No. 2406 is not enacted by June 30, 2004, the amount in this subsection  
35 shall lapse.

36 (h) \$48,000 of the general fund--state appropriation for fiscal  
37 year 2005 is provided solely to implement Substitute House Bill No.

1 2455 (financial literacy). If Substitute House Bill No. 2455 is not  
2 enacted by June 30, 2004, the amount in this subsection shall lapse.

3 (i) \$10,000 of the general fund--state appropriation for fiscal  
4 year 2005 is provided solely to implement Substitute House Bill No.  
5 2596 (children with disabilities). If Substitute House Bill No. 2596  
6 is not enacted by June 30, 2004, the amount in this subsection shall  
7 lapse.

8 (2) STATEWIDE PROGRAMS

9	General Fund--State Appropriation (FY 2004) . . . . .	\$8,966,000
10	General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$9,345,000 ))</del>
11		<u>\$10,129,000</u>
12	General Fund--Federal Appropriation . . . . .	<del>(( \$66,405,000 ))</del>
13		<u>\$61,656,000</u>
14	TOTAL APPROPRIATION . . . . .	<del>(( \$84,716,000 ))</del>
15		<u>\$80,751,000</u>

16 The appropriations in this subsection are provided solely for the  
17 statewide programs specified in this subsection and are subject to the  
18 following conditions and limitations:

19 (a) HEALTH AND SAFETY

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

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

32 (A) The safety center shall: Disseminate successful models of  
33 school safety plans and cooperative efforts; provide assistance to  
34 schools to establish a comprehensive safe school plan; select models of  
35 cooperative efforts that have been proven successful; act as an  
36 information dissemination and resource center when an incident occurs  
37 in a school district either in Washington or in another state;

1 coordinate activities relating to school safety; review and approve  
2 manuals and curricula used for school safety models and training; and  
3 develop and maintain a school safety information web site.

4 (B) The superintendent of public instruction shall participate in  
5 a school safety center advisory committee that includes representatives  
6 of educators, classified staff, principals, superintendents,  
7 administrators, the American society for industrial security, the state  
8 criminal justice training commission, and others deemed appropriate and  
9 approved by the school safety center advisory committee. Members of  
10 the committee shall be chosen by the groups they represent. In  
11 addition, the Washington association of sheriffs and police chiefs  
12 shall appoint representatives of law enforcement to participate on the  
13 school safety center advisory committee. The advisory committee shall  
14 select a chair.

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

18 (iii) A maximum of \$100,000 of the general fund--state  
19 appropriation for fiscal year 2004 and a maximum of \$100,000 of the  
20 general fund--state appropriation for fiscal year 2005 are provided for  
21 a school safety training program provided by the criminal justice  
22 training commission subject to the following conditions and  
23 limitations:

24 (A) The criminal justice training commission with assistance of the  
25 school safety center advisory committee established in section  
26 2(b)(iii) of this section shall develop manuals and curricula for a  
27 training program for all school safety personnel.

28 (B) The Washington state criminal justice training commission, in  
29 collaboration with the advisory committee, shall provide the school  
30 safety training for all school administrators and school safety  
31 personnel, including school safety personnel hired after the effective  
32 date of this section.

33 ((~~v~~)) (iv) (~~(\$13,663,000)~~) \$12,917,000 of the general fund--  
34 federal appropriation is provided for safe and drug free schools and  
35 communities grants for drug and violence prevention activities and  
36 strategies.

37 ((~~vi~~)) (v) A maximum of \$146,000 of the general fund--state  
38 appropriation for fiscal year 2004 and a maximum of \$146,000 of the

1 general fund--state appropriation for fiscal year 2005 are provided for  
2 a nonviolence and leadership training program provided by the institute  
3 for community leadership. The program shall provide the following:

4 (A) Statewide nonviolence leadership coaches training program for  
5 certification of educational employees and community members in  
6 nonviolence leadership workshops;

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

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

13 (vi) A maximum of \$194,000 of the general fund--state appropriation  
14 for fiscal year 2005 and \$400,000 of the general fund--federal  
15 appropriation transferred from the department of health are provided  
16 for a program that provides grants to school districts for media  
17 campaigns promoting sexual abstinence and addressing the importance of  
18 delaying sexual activity, pregnancy, and childbearing until individuals  
19 are ready to nurture and support their children. Grants to the school  
20 districts shall be for projects that are substantially designed and  
21 produced by students. The grants shall require a local private sector  
22 match equal to one-half of the state grant, which may include in-kind  
23 contribution of technical or other assistance from consultants or firms  
24 involved in public relations, advertising, broadcasting, and graphics  
25 or video production or other related fields.

26 (b) TECHNOLOGY

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

35 (c) GRANTS AND ALLOCATIONS

36 (i) \$306,000 of the fiscal year 2004 appropriation and \$689,000 of  
37 the fiscal year 2005 appropriation are provided solely for the special  
38 services pilot projects provided by Second Substitute House Bill No.



1 2012 (special services pilot program). The office of the  
2 superintendent of public instruction shall allocate these funds to the  
3 district or districts participating in the pilot program according to  
4 the provisions of section 2 subsection (4) of Second Substitute House  
5 Bill No. 2012, chapter 33, Laws of 2003.

6 (ii) A maximum of \$761,000 of the general fund--state appropriation  
7 for fiscal year 2004 and a maximum of (~~(\$757,000)~~) \$1,097,000 of the  
8 general fund--state appropriation for fiscal year 2005 are provided for  
9 alternative certification routes. Funds may be used by the  
10 professional educator standards board to continue existing alternative-  
11 route grant programs and to create new alternative-route programs in  
12 regions of the state with service shortages.

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

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

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

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

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

35 (viii) \$500,000 of the general fund--state appropriation for fiscal  
36 year 2004 and (~~(\$500,000)~~) \$750,000 of the general fund--state  
37 appropriation for fiscal year 2005 are provided solely for the  
38 Washington state achievers scholarship program. The funds shall be

1 used to support community involvement officers that recruit, train, and  
2 match community volunteer mentors with students selected as achievers  
3 scholars.

4 (ix) (~~(\$1,433,000)~~) \$1,650,000 of the general fund--federal  
5 appropriation is provided for the advanced placement fee program to  
6 increase opportunities for low-income students and under-represented  
7 populations to participate in advanced placement courses and to  
8 increase the capacity of schools to provide advanced placement courses  
9 to students.

10 (x) (~~(\$9,510,000)~~) \$9,953,000 of the general fund--federal  
11 appropriation is provided for comprehensive school reform demonstration  
12 projects to provide grants to low-income schools for improving student  
13 achievement through adoption and implementation of research-based  
14 curricula and instructional programs.

15 (xi) (~~(\$12,977,000)~~) \$12,941,000 of the general fund--federal  
16 appropriation is provided for 21st century learning center grants,  
17 providing after-school and inter-session activities for students.

18 **Sec. 502.** 2003 1st sp.s. c 25 s 502 (uncodified) is amended to  
19 read as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**  
21 **APPORTIONMENT**

22	General Fund--State Appropriation (FY 2004) . . . .	( <del>(\$3,969,407,000)</del> )
23		<u>\$3,976,507,000</u>
24	General Fund--State Appropriation (FY 2005) . . . .	( <del>(\$3,977,209,000)</del> )
25		<u>\$3,988,248,000</u>
26	TOTAL APPROPRIATION . . . . .	( <del>(\$7,946,616,000)</del> )
27		<u>\$7,964,755,000</u>

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

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

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

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

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

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

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

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

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

20 (v) For class size reduction and expanded learning opportunities  
21 under the better schools program, an additional 0.8 certificated  
22 instructional staff units for the 2003-04 school year for grades K-4  
23 per thousand full-time equivalent students. Funds allocated for these  
24 additional certificated units shall not be considered as basic  
25 education funding. The allocation may be used for reducing class sizes  
26 in grades K-4 or to provide additional classroom contact hours for  
27 kindergarten, before-and-after-school programs, weekend school  
28 programs, summer school programs, and intercession opportunities to  
29 assist elementary school students in meeting the essential academic  
30 learning requirements and student assessment performance standards.  
31 For purposes of this subsection, additional classroom contact hours  
32 provided by teachers beyond the normal school day under a supplemental  
33 contract shall be converted to a certificated full-time equivalent by  
34 dividing the classroom contact hours by 900.

35 (A) Funds provided under this subsection (2)(a)(iv) and (v) in  
36 excess of the amount required to maintain the statutory minimum ratio  
37 established under RCW 28A.150.260(2)(b) shall be allocated only if the  
38 district documents an actual ratio in grades K-4 equal to or greater

1 than 54.0 certificated instructional staff per thousand full-time  
2 equivalent students in the 2003-04 school year and 53.2 certificated  
3 instructional staff per thousand full-time equivalent students in the  
4 2004-05 school year. For any school district documenting a lower  
5 certificated instructional staff ratio, the allocation shall be based  
6 on the district's actual grades K-4 certificated instructional staff  
7 ratio achieved in that school year, or the statutory minimum ratio  
8 established under RCW 28A.150.260(2)(b), if greater;

9 (B) Districts at or above 51.0 certificated instructional staff per  
10 one thousand full-time equivalent students in grades K-4 may dedicate  
11 up to 1.3 of the 54.0 funding ratio in the 2003-04 school year, and up  
12 to 1.3 of the 53.2 funding ratio in the 2004-05 school year, to employ  
13 additional classified instructional assistants assigned to basic  
14 education classrooms in grades K-4. For purposes of documenting a  
15 district's staff ratio under this section, funds used by the district  
16 to employ additional classified instructional assistants shall be  
17 converted to a certificated staff equivalent and added to the  
18 district's actual certificated instructional staff ratio. Additional  
19 classified instructional assistants, for the purposes of this  
20 subsection, shall be determined using the 1989-90 school year as the  
21 base year;

22 (C) Any district maintaining a ratio in grades K-4 equal to or  
23 greater than 54.0 certificated instructional staff per thousand full-  
24 time equivalent students in the 2003-04 school year and 53.2  
25 certificated instructional staff per thousand full-time equivalent  
26 students in the 2004-05 school year may use allocations generated under  
27 this subsection (2)(a)(iv) and (v) in excess of that required to  
28 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to  
29 employ additional basic education certificated instructional staff or  
30 classified instructional assistants in grades 5-6. Funds allocated  
31 under this subsection (2)(a)(iv) and (v) shall only be expended to  
32 reduce class size in grades K-6. No more than 1.3 of the certificated  
33 instructional funding ratio amount may be expended for provision of  
34 classified instructional assistants;

35 (b) For school districts with a minimum enrollment of 250 full-time  
36 equivalent students whose full-time equivalent student enrollment count  
37 in a given month exceeds the first of the month full-time equivalent  
38 enrollment count by 5 percent, an additional state allocation of 110

1 percent of the share that such increased enrollment would have  
2 generated had such additional full-time equivalent students been  
3 included in the normal enrollment count for that particular month;

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

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

9 (B) Skills center programs meeting the standards for skills center  
10 funding established in January 1999 by the superintendent of public  
11 instruction, 0.92 certificated instructional staff units and 0.08  
12 certificated administrative units for each 16.67 full-time equivalent  
13 vocational students;

14 (ii) Vocational full-time equivalent enrollment shall be reported  
15 on the same monthly basis as the enrollment for students eligible for  
16 basic support, and payments shall be adjusted for reported vocational  
17 enrollments on the same monthly basis as those adjustments for  
18 enrollment for students eligible for basic support; and

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

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

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

33 (ii) For those enrolling students in grades 7 or 8, 1.68  
34 certificated instructional staff units and 0.32 certificated  
35 administrative staff units for enrollment of not more than five  
36 students, plus one-tenth of a certificated instructional staff unit for  
37 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 2003-04 and 2004-05  
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 9.68 percent in the 2003-04 school year and (~~9.68~~) 9.69 percent in  
22 the 2004-05 school year for certificated salary allocations provided  
23 under subsection (2) of this section, and a rate of 12.25 percent in  
24 the 2003-04 school year and 12.25 percent in the 2004-05 school year  
25 for 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 \$8,785 per certificated staff unit in the 2003-04 school year and a  
5 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05  
6 school 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 \$21,573 per certificated  
10 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)  
11 \$21,746 per certificated staff unit in the 2004-05 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 \$16,739 per certificated  
15 staff unit in the 2003-04 school year and a maximum of (~~(\$17,057)~~)  
16 \$16,873 per certificated staff unit in the 2004-05 school year.

17 (7) Allocations for substitute costs for classroom teachers shall  
18 be distributed at a maintenance rate of \$531.09 for the 2003-04 and  
19 2004-05 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 (~~(\$6,392,000)~~)  
37 \$6,385,000 outside the basic education formula during fiscal years 2004  
38 and 2005 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 \$495,000 may be expended in fiscal year 2004  
4 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year  
5 2005;

6 (b) For summer vocational programs at skills centers, a maximum of  
7 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of  
8 \$2,035,000 for the 2005 fiscal year;

9 (c) A maximum of (~~(\$353,000)~~) \$351,000 may be expended for school  
10 district emergencies; and

11 (d) A maximum of \$485,000 each fiscal year may be expended for  
12 programs providing skills training for secondary students who are  
13 enrolled in extended day school-to-work programs, as approved by the  
14 superintendent of public instruction. The funds shall be allocated at  
15 a rate not to exceed \$500 per full-time equivalent student enrolled in  
16 those programs.

17 (10) For purposes of RCW 84.52.0531, the increase per full-time  
18 equivalent student is 3.4 percent from the 2002-03 school year to the  
19 2003-04 school year and 2.5 percent from the 2003-04 school year to the  
20 2004-05 school year.

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

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

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

35 (~~(12) \$159,000 of the general fund state appropriation for fiscal~~  
36 ~~year 2004 and \$1,181,000 of the general fund state appropriation for~~  
37 ~~fiscal year 2005 are provided solely for the implementation of~~

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

4 **Sec. 503.** 2003 1st sp.s. c 25 s 504 (uncodified) is amended to  
5 read as follows:

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**  
7 **COMPENSATION ADJUSTMENTS**

8	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$28,511,000</del> ))
9		<u>\$28,604,000</u>
10	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$116,670,000</del> ))
11		<u>\$141,659,000</u>
12	General Fund--Federal Appropriation . . . . .	(( <del>\$559,000</del> ))
13		<u>\$674,000</u>
14	TOTAL APPROPRIATION . . . . .	(( <del>\$145,740,000</del> ))
15		<u>\$170,937,000</u>

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

18 (1) ((~~\$8,913,000~~)) \$8,944,000 of the general fund--state  
19 appropriation for fiscal year 2004 and ((~~\$20,238,000~~)) \$20,343,000 of  
20 the general fund--state appropriation for fiscal year 2005 are provided  
21 solely to provide a salary adjustment for state formula certificated  
22 instructional staff units in their first seven years of service.  
23 Consistent with the statewide certificated instructional staff salary  
24 allocation schedule in section 503 of this act, sufficient funding is  
25 provided to increase the salary of certificated instructional staff  
26 units in the 2003-04 school year and the 2004-05 school year by the  
27 following percentages: Three percent for certificated instructional  
28 staff in their first and second years of service; two and one-half  
29 percent for certificated instructional staff in their third year of  
30 service; one and one-half percent for certificated instructional staff  
31 in their fourth year of service; one percent for certificated  
32 instructional staff in their fifth year of service; and one-half of a  
33 percent for certificated instructional staff in their sixth and seventh  
34 years of service. These increases will take effect September 1, 2003  
35 and September 1, 2004.

36 (a) In order to receive funding provided in this subsection, school  
37 districts shall certify to the office of superintendent of public

1 instruction that they will provide the percentage increases in the  
 2 amounts specified in this subsection. In cases where a school district  
 3 providing the increases in the amounts specified in this subsection  
 4 would cause that school district to be out of compliance with RCW  
 5 28A.400.200, they may provide salary increases in different amounts but  
 6 only to the extent necessary to come into compliance with RCW  
 7 28A.400.200. Funds provided in this subsection shall be used  
 8 exclusively for providing the percentage increases specified in this  
 9 subsection to the certificated staff units in their first seven years  
 10 of service and shall not be used to supplant any other state or local  
 11 funding for compensation for these staff.

12 (b) The appropriations include associated incremental fringe  
 13 benefit allocations at rates of 9.04 percent for school year 2003-04  
 14 and (~~(9.04)~~) 9.05 percent for school year 2004-05 for certificated  
 15 staff. Increases for general apportionment (basic education) are based  
 16 on the salary allocation schedules and methodology in sections 502 and  
 17 503 of this act. Increases for special education result from increases  
 18 in each district's basic education allocation per student. Increases  
 19 for educational service districts and institutional education programs  
 20 are determined by the superintendent of public instruction using the  
 21 methodology for general apportionment salaries and benefits in sections  
 22 502 and 503 of this act.

23 (2) The appropriations in this section provide salary adjustments  
 24 and incremental fringe benefit allocations based on formula adjustments  
 25 as follows:

	School Year	
	2003-04	2004-05
28 Highly Capable (per formula student)	\$0.93	\$1.89
29 Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
30 Learning Assistance (per entitlement unit)	\$0.69	\$1.40

31 (3) (~~(\$116,483,000)~~) \$140,976,000 is provided for adjustments to  
 32 insurance benefit allocations. The maintenance rate for insurance  
 33 benefit allocations is \$457.07 per month for the 2003-04 and 2004-05  
 34 school years. The appropriations in this section provide for a rate  
 35 increase to \$481.31 per month for the 2003-04 school year and

1 ((~~\$570.74~~)) \$600.85 per month for the 2004-05 school year at the  
2 following rates:

	School Year	
	2003-04	2004-05
6 Pupil Transportation (per weighted pupil mile)	\$0.22	<del>((1.03))</del> <u>\$1.31</u>
7 Highly Capable (per formula student)	\$1.52	<del>((7.00))</del> <u>\$8.85</u>
8 Transitional Bilingual Education (per eligible bilingual student)	\$3.92	<del>((18.40))</del> <u>\$23.28</u>
9 Learning Assistance (per entitlement unit)	\$3.08	<del>((14.46))</del> <u>\$18.29</u>

10 (4) The rates specified in this section are subject to revision  
11 each year by the legislature.

12 **Sec. 504.** 2003 1st sp.s. c 25 s 505 (uncodified) is amended to  
13 read as follows:

14 <b>FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION</b>	
15 General Fund--State Appropriation (FY 2004) . . . . .	<del>((201,638,000))</del>
16	<u>\$215,454,000</u>
17 General Fund--State Appropriation (FY 2005) . . . . .	<del>((210,279,000))</del>
18	<u>\$219,899,000</u>
19 TOTAL APPROPRIATION . . . . .	<del>((411,917,000))</del>
20	<u>\$435,353,000</u>

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

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

26 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation  
27 and a maximum of ~~((782,000))~~ \$774,000 of the fiscal year 2005  
28 appropriation may be expended for regional transportation coordinators  
29 and related activities. The transportation coordinators shall ensure  
30 that data submitted by school districts for state transportation  
31 funding shall, to the greatest extent practical, reflect the actual  
32 transportation activity of each district.

33 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the  
34 fiscal year 2005 appropriation are provided solely for the

1 transportation of students enrolled in "choice" programs.  
2 Transportation shall be limited to low-income students who are  
3 transferring to "choice" programs solely for educational reasons.

4 (4) Allocations for transportation of students shall be based on  
5 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school  
6 year and ~~(((\$39.43))~~ \$39.30 per weighted mile in the 2004-05 school year  
7 exclusive of salary and benefit adjustments provided in section 504 of  
8 this act. Allocations for transportation of students transported more  
9 than one radius mile shall be based on weighted miles as determined by  
10 superintendent of public instruction multiplied by the per mile  
11 reimbursement rates for the school year pursuant to the formulas  
12 adopted by the superintendent of public instruction. Allocations for  
13 transportation of students living within one radius mile shall be based  
14 on the number of enrolled students in grades kindergarten through five  
15 living within one radius mile of their assigned school multiplied by  
16 the per mile reimbursement rate for the school year multiplied by 1.29.

17 ~~((5) Beginning with busses purchased on or after July 1, 2003, the  
18 office of superintendent of public instruction shall provide  
19 reimbursement funding to a school district only after the  
20 superintendent of public instruction determines that the school bus was  
21 purchased from the list established pursuant to RCW 28A.160.195(2) or  
22 a comparable competitive bid process based on the lowest price quote  
23 based on similar bus categories to those used to establish the list  
24 pursuant to RCW 28A.160.195. The competitive specifications shall meet  
25 federal motor vehicle safety standards, minimum state specifications as  
26 established by rule by the superintendent, and supported options as  
27 determined by the superintendent in consultation with the regional  
28 transportation coordinators of the educational service districts.))~~

29 **Sec. 505.** 2003 1st sp.s. c 25 s 506 (uncodified) is amended to  
30 read as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**  
32 **PROGRAMS**

33	General Fund--State Appropriation (FY 2004) . . . . .	\$3,100,000
34	General Fund--State Appropriation (FY 2005) . . . . .	\$3,100,000
35	General Fund--Federal Appropriation . . . . .	<del>(((\$272,069,000))</del>
36		<u>\$252,128,000</u>
37	TOTAL APPROPRIATION . . . . .	<del>(((\$278,269,000))</del>

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

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

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

Sec. 506. 2003 1st sp.s. c 25 s 507 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS**

General Fund--State Appropriation (FY 2004)	.. . . . (( <del>\$433,984,000</del> ))
	<u>\$435,061,000</u>
General Fund--State Appropriation (FY 2005)	.. . . . (( <del>\$427,214,000</del> ))
	<u>\$427,763,000</u>
General Fund--Federal Appropriation	.. . . . (( <del>\$409,637,000</del> ))
	<u>\$425,489,000</u>
TOTAL APPROPRIATION	.. . . . (( <del>\$1,270,835,000</del> ))
	<u>\$1,288,313,000</u>

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

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

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

1 (i) Special education students are basic education students first;  
2 (ii) As a class, special education students are entitled to the  
3 full basic education allocation; and  
4 (iii) Special education students are basic education students for  
5 the entire school day.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 service delivery choice, or accounting practices are not a legitimate  
2 basis for safety net awards.

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

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

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

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

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

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

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

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

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

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

34 (12) \$1,000,000 of the general fund--federal appropriation is  
35 provided for projects to provide special education students with  
36 appropriate job and independent living skills, including work  
37 experience where possible, to facilitate their successful transition

1 out of the public school system. The funds provided by this subsection  
2 shall be from federal discretionary grants.

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

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

17 (15) A school district may carry over from one year to the next  
18 year up to 10 percent of general fund--state funds allocated under this  
19 program; however, carry over funds shall be expended in the special  
20 education program.

21 **Sec. 507.** 2003 1st sp.s. c 25 s 508 (uncodified) is amended to  
22 read as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**  
24 **DISTRICTS**

25	General Fund--State Appropriation (FY 2004) . . . . .	\$3,538,000
26	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$3,537,000)</del>
27		<u>\$3,538,000</u>
28	TOTAL APPROPRIATION . . . . .	<del>(\$7,075,000)</del>
29		<u>\$7,076,000</u>

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

32 (1) The educational service districts shall continue to furnish  
33 financial services required by the superintendent of public instruction  
34 and RCW 28A.310.190 (3) and (4).

35 (2) The educational service districts, at the request of the state  
36 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may  
37 receive and screen applications for school accreditation, conduct

1 school accreditation site visits pursuant to state board of education  
2 rules, and submit to the state board of education post-site visit  
3 recommendations for school accreditation. The educational service  
4 districts may assess a cooperative service fee to recover actual plus  
5 reasonable indirect costs for the purposes of this subsection.

6 **Sec. 508.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to  
7 read as follows:

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**  
9 **ASSISTANCE**

10	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$162,236,000</del> ))
11		<u>\$163,049,000</u>
12	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$167,073,000</del> ))
13		<u>\$161,945,000</u>
14	TOTAL APPROPRIATION . . . . .	(( <del>\$329,309,000</del> ))
15		<u>\$324,994,000</u>

16 **Sec. 509.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to  
17 read as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**  
19 **EDUCATION PROGRAMS**

20	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$18,596,000</del> ))
21		<u>\$18,207,000</u>
22	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$19,092,000</del> ))
23		<u>\$18,176,000</u>
24	TOTAL APPROPRIATION . . . . .	(( <del>\$37,688,000</del> ))
25		<u>\$36,383,000</u>

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

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

31 (2) State funding provided under this section is based on salaries  
32 and other expenditures for a 220-day school year. The superintendent  
33 of public instruction shall monitor school district expenditure plans  
34 for institutional education programs to ensure that districts plan for  
35 a full-time summer program.

1 (3) State funding for each institutional education program shall be  
2 based on the institution's annual average full-time equivalent student  
3 enrollment. Staffing ratios for each category of institution shall  
4 remain the same as those funded in the 1995-97 biennium.

5 (4) The funded staffing ratios for education programs for juveniles  
6 age 18 or less in department of corrections facilities shall be the  
7 same as those provided in the 1997-99 biennium.

8 (5) (~~(\$279,000)~~) \$190,000 of the general fund--state appropriation  
9 for fiscal year 2004 and (~~(\$286,000)~~) \$142,000 of the general fund--  
10 state appropriation for fiscal year 2005 are provided solely to  
11 maintain at least one certificated instructional staff and related  
12 support services at an institution whenever the K-12 enrollment is not  
13 sufficient to support one full-time equivalent certificated  
14 instructional staff to furnish the educational program. The following  
15 types of institutions are included: Residential programs under the  
16 department of social and health services for developmentally disabled  
17 juveniles, programs for juveniles under the department of corrections,  
18 and programs for juveniles under the juvenile rehabilitation  
19 administration.

20 (6) Ten percent of the funds allocated for each institution may be  
21 carried over from one year to the next.

22 **Sec. 510.** 2003 1st sp.s. c 25 s 511 (uncodified) is amended to  
23 read as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**  
25 **CAPABLE STUDENTS**

26	General Fund--State Appropriation (FY 2004) . . . . .	( <del>(\$6,597,000)</del> )
27		<u>\$6,620,000</u>
28	General Fund--State Appropriation (FY 2005) . . . . .	( <del>(\$6,614,000)</del> )
29		<u>\$6,632,000</u>
30	TOTAL APPROPRIATION . . . . .	( <del>(\$13,211,000)</del> )
31		<u>\$13,252,000</u>

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

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

1 (2) Allocations for school district programs for highly capable  
2 students shall be distributed at a maximum rate of \$334.89 per funded  
3 student for the 2003-04 school year and (~~(\$334.89)~~) \$334.91 per funded  
4 student for the 2004-05 school year, exclusive of salary and benefit  
5 adjustments pursuant to section 504 of this act. The number of funded  
6 students shall be a maximum of two percent of each district's full-time  
7 equivalent basic education enrollment.

8 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of  
9 the fiscal year 2005 appropriation are provided for the centrum program  
10 at Fort Worden state park.

11 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of  
12 the fiscal year 2005 appropriation are provided for the Washington  
13 destination imagination network and future problem-solving programs.

14 **Sec. 511.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to  
15 read as follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**  
17 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**  
18 **THE NO CHILD LEFT BEHIND ACT**

19 General Fund--Federal Appropriation . . . . . (~~(\$46,198,000)~~)  
20 \$42,817,000

21 **Sec. 512.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to  
22 read as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**  
24 **PROGRAMS**

25 General Fund--State Appropriation (FY 2004) . . . . . (~~(\$39,107,000)~~)  
26 \$38,292,000

27 General Fund--State Appropriation (FY 2005) . . . . . (~~(\$36,501,000)~~)  
28 \$38,220,000

29 General Fund--Federal Appropriation . . . . . (~~(\$128,402,000)~~)  
30 \$164,037,000

31 TOTAL APPROPRIATION . . . . . (~~(\$204,010,000)~~)  
32 \$240,549,000

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

35 (1) \$310,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$310,000 of the general fund--state appropriation for  
2 fiscal year 2005 are provided solely for the academic achievement and  
3 accountability commission.

4 (2) (~~(\$16,050,000)~~) \$15,486,000 of the general fund--state  
5 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$13,414,000 of the  
6 general fund--state appropriation for fiscal year 2005, and  
7 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation  
8 are provided solely for development and implementation of the  
9 Washington assessments of student learning(~~(. Of the general fund--~~  
10 ~~state amounts provided:~~

11 ~~(a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005~~  
12 ~~are for providing high school students who are not successful in one or~~  
13 ~~more content areas of the Washington assessment of student learning the~~  
14 ~~opportunity to retake the test and \$75,000 of the fiscal year 2004~~  
15 ~~appropriation is provided for developing alternative assessments as~~  
16 ~~provided in Engrossed Substitute House Bill No. 2195 (state academic~~  
17 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~  
18 ~~by June 30, 2003, the amounts in this subsection (a) shall lapse.~~

19 ~~(b) \$300,000 in fiscal year 2004 is for independent research on the~~  
20 ~~alignment and technical review of the reading, writing, and science~~  
21 ~~content areas of the Washington assessment of student learning, as~~  
22 ~~provided by Engrossed Substitute House Bill No. 2195 (state academic~~  
23 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~  
24 ~~by June 30, 2003, the amount in this subsection (b) shall lapse))~~  
25 (WASL), including development and implementation of retake assessments  
26 for high school students who are not successful in one or more content  
27 areas of the WASL, development of alternative assessments or appeals  
28 procedures to implement the certificate of academic achievement, and  
29 independent research on the alignment and technical review of reading,  
30 writing, and science.

31 (3) \$548,000 of the fiscal year 2004 general fund--state  
32 appropriation and \$548,000 of the fiscal year 2005 general fund--state  
33 appropriation are provided solely for training of paraprofessional  
34 classroom assistants and certificated staff who work with classroom  
35 assistants as provided in RCW 28A.415.310.

36 (4) \$2,348,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$2,348,000 of the general fund--state appropriation for  
38 fiscal year 2005 are provided solely for mentor teacher assistance,

1 including state support activities, under RCW 28A.415.250 and  
2 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in  
3 this subsection may be used each fiscal year to operate a mentor  
4 academy to help districts provide effective training for peer mentors.  
5 Funds for the teacher assistance program shall be allocated to school  
6 districts based on the number of first year beginning teachers.

7 (a) A teacher assistance program is a program that provides to a  
8 first year beginning teacher peer mentor services that include but are  
9 not limited to:

10 (i) An orientation process and individualized assistance to help  
11 beginning teachers who have been hired prior to the start of the school  
12 year prepare for the start of a school year;

13 (ii) The assignment of a peer mentor whose responsibilities to the  
14 beginning teacher include but are not limited to constructive feedback,  
15 the modeling of instructional strategies, and frequent meetings and  
16 other forms of contact;

17 (iii) The provision by peer mentors of strategies, training, and  
18 guidance in critical areas such as classroom management, student  
19 discipline, curriculum management, instructional skill, assessment,  
20 communication skills, and professional conduct. A district may provide  
21 these components through a variety of means including one-on-one  
22 contact and workshops offered by peer mentors to groups, including  
23 cohort groups, of beginning teachers;

24 (iv) The provision of release time, substitutes, mentor training in  
25 observation techniques, and other measures for both peer mentors and  
26 beginning teachers, to allow each an adequate amount of time to observe  
27 the other and to provide the classroom experience that each needs to  
28 work together effectively;

29 (v) Assistance in the incorporation of the essential academic  
30 learning requirements into instructional plans and in the development  
31 of complex teaching strategies, including strategies to raise the  
32 achievement of students with diverse learning styles and backgrounds;  
33 and

34 (vi) Guidance and assistance in the development and implementation  
35 of a professional growth plan. The plan shall include a professional  
36 self-evaluation component and one or more informal performance  
37 assessments. A peer mentor may not be involved in any evaluation under

1 RCW 28A.405.100 of a beginning teacher whom the peer mentor has  
2 assisted through this program.

3 (b) In addition to the services provided in (a) of this subsection,  
4 an eligible peer mentor program shall include but is not limited to the  
5 following components:

6 (i) Strong collaboration among the peer mentor, the beginning  
7 teacher's principal, and the beginning teacher;

8 (ii) Stipends for peer mentors and, at the option of a district,  
9 for beginning teachers. The stipends shall not be deemed compensation  
10 for the purposes of salary lid compliance under RCW 28A.400.200 and are  
11 not subject to the continuing contract provisions of Title 28A RCW; and

12 (iii) To the extent that resources are available for this purpose  
13 and that assistance to beginning teachers is not adversely impacted,  
14 the program may serve second year and more experienced teachers who  
15 request the assistance of peer mentors.

16 (5) \$1,959,000 of the general fund--state appropriation for fiscal  
17 year 2004 and \$1,959,000 of the general fund--state appropriation for  
18 fiscal year 2005 are provided solely for improving technology  
19 infrastructure, monitoring and reporting on school district technology  
20 development, promoting standards for school district technology,  
21 promoting statewide coordination and planning for technology  
22 development, and providing regional educational technology support  
23 centers, including state support activities, under chapter 28A.650 RCW.  
24 The superintendent of public instruction shall coordinate a process to  
25 facilitate the evaluation and provision of online curriculum courses to  
26 school districts which includes the following: Creation of a general  
27 listing of the types of available online curriculum courses; a survey  
28 conducted by each regional educational technology support center of  
29 school districts in its region regarding the types of online curriculum  
30 courses desired by school districts; a process to evaluate and  
31 recommend to school districts the best online courses in terms of  
32 curriculum, student performance, and cost; and assistance to school  
33 districts in procuring and providing the courses to students.

34 (6) \$3,594,000 of the general fund--state appropriation for fiscal  
35 year 2004 and \$3,594,000 of the general fund--state appropriation for  
36 fiscal year 2005 are provided solely for grants to school districts to  
37 provide a continuum of care for children and families to help children  
38 become ready to learn. Grant proposals from school districts shall



1 contain local plans designed collaboratively with community service  
2 providers. If a continuum of care program exists in the area in which  
3 the school district is located, the local plan shall provide for  
4 coordination with existing programs to the greatest extent possible.  
5 Grant funds shall be allocated pursuant to RCW 70.190.040.

6 (7) \$2,500,000 of the general fund--state appropriation for fiscal  
7 year 2004 and \$2,500,000 of the general fund--state appropriation for  
8 fiscal year 2005 are provided solely for the meals for kids program  
9 under RCW 28A.235.145 through 28A.235.155. In fiscal year 2005, funds  
10 provided in this subsection shall also be used to implement House Bill  
11 No. 2769 (reducing hunger) by providing school districts with grants  
12 for equipment and start-up costs for new meal programs resulting from  
13 the enactment of the bill.

14 (8) An additional \$11,000 of the general fund--state appropriation  
15 for fiscal year 2005 is provided solely for grants to school districts  
16 to implement Engrossed Second Substitute House Bill No. 2769 (reducing  
17 hunger). If Engrossed Second Substitute House Bill No. 2769 is not  
18 enacted by June 30, 2004, the amount provided in this subsection shall  
19 lapse.

20 (9) \$705,000 of the general fund--state appropriation for fiscal  
21 year 2004 and \$705,000 of the general fund--state appropriation for  
22 fiscal year 2005 are provided solely for the leadership internship  
23 program for superintendents, principals, and program administrators.

24 ~~((+9))~~ (10) A maximum of \$250,000 of the general fund--state  
25 appropriation for fiscal year 2004 and a maximum of \$250,000 of the  
26 general fund--state appropriation for fiscal year 2005 are provided for  
27 summer accountability institutes offered by the superintendent of  
28 public instruction and the academic achievement and accountability  
29 commission. The institutes shall provide school district staff with  
30 training in the analysis of student assessment data, information  
31 regarding successful district and school teaching models, research on  
32 curriculum and instruction, and planning tools for districts to improve  
33 instruction in reading, mathematics, language arts, and guidance and  
34 counseling.

35 ~~((+10))~~ (11) \$3,713,000 of the general fund--state appropriation  
36 for fiscal year 2004 and \$3,713,000 of the general fund--state  
37 appropriation for fiscal year 2005 are provided solely for the

1 Washington reading corps subject to the following conditions and  
2 limitations:

3 (a) Grants shall be allocated to schools and school districts to  
4 implement proven, research-based mentoring and tutoring programs in  
5 reading that may include research-based reading skills development  
6 software for low-performing students in grades K-6. If the grant is  
7 made to a school district, the principals of schools enrolling targeted  
8 students shall be consulted concerning design and implementation of the  
9 program.

10 (b) The programs may be implemented before, after, or during the  
11 regular school day, or on Saturdays, summer, intercessions, or other  
12 vacation periods.

13 (c) Two or more schools may combine their Washington reading corps  
14 programs.

15 (d) A program is eligible for a grant if it meets the following  
16 conditions:

17 (i) The program employs methods of teaching and student learning  
18 based on reliable reading/literacy research and effective practices;

19 (ii) The program design is comprehensive and includes instruction,  
20 on-going student assessment, professional development,  
21 parental/community involvement, and program management aligned with the  
22 school's reading curriculum;

23 (iii) It provides quality professional development and training for  
24 teachers, staff, and volunteer mentors and tutors;

25 (iv) It has measurable goals for student reading aligned with the  
26 essential academic learning requirements;

27 (v) It contains an evaluation component to determine the  
28 effectiveness of the program; and

29 (vi) The program may include a software-based solution to increase  
30 the student/tutor ratio to a minimum of 5:1. The selected software  
31 program shall be scientifically researched-based.

32 (e) Funding priority shall be given to low-performing schools.

33 (f) Beginning and end-of-program testing data shall be available to  
34 determine the effectiveness of funded programs and practices. Common  
35 evaluative criteria across programs, such as grade-level improvements  
36 shall be available for each reading corps program. The superintendent  
37 of public instruction shall provide program evaluations to the governor

1 and the appropriate committees of the legislature. Administrative and  
2 evaluation costs may be assessed from the annual appropriation for the  
3 program.

4 (g) Grants provided under this section may be used by schools and  
5 school districts for expenditures from September 2003 through August  
6 31, 2005.

7 (~~(11)~~ ~~\$1,564,000~~) (12) \$1,313,000 of the general fund--state  
8 appropriation for fiscal year 2004 and (~~(\$2,497,000)~~) \$2,473,000 of the  
9 general fund--state appropriation for fiscal year 2005 are provided  
10 solely for salary bonuses for teachers who attain certification by the  
11 national board for professional teaching standards, subject to the  
12 following conditions and limitations:

13 (a) Teachers who hold a valid certificate from the national board  
14 during the 2003-04 or 2004-05 school years shall receive an annual  
15 bonus not to exceed \$3,500 in each of these school years in which they  
16 hold a national board certificate.

17 (b) The annual bonus shall be paid in a lump sum amount and shall  
18 not be included in the definition of "earnable compensation" under RCW  
19 41.32.010(10).

20 (~~(12)~~) (13) \$313,000 of the general fund--state appropriation for  
21 fiscal year 2004 and \$313,000 of the general fund--state appropriation  
22 for fiscal year 2005 are provided solely for a principal support  
23 program. The office of the superintendent of public instruction may  
24 contract with an independent organization to administer the program.  
25 The program shall include: (a) Development of an individualized  
26 professional growth plan for a new principal or principal candidate;  
27 and (b) participation of a mentor principal who works over a period of  
28 between one and three years with the new principal or principal  
29 candidate to help him or her build the skills identified as critical to  
30 the success of the professional growth plan.

31 (~~(13)~~) (14) \$126,000 of the general fund--state appropriation for  
32 fiscal year 2004 and \$126,000 of the general fund--state appropriation  
33 for fiscal year 2005 are provided for the development and posting of  
34 web- based instructional tools, assessment data, and other information  
35 that assists schools and teachers implementing higher academic  
36 standards.

37 (~~(14)~~) (15) \$3,046,000 of the general fund--state appropriation  
38 for fiscal year 2004 and \$3,046,000 of the general fund--state

1 appropriation for fiscal year 2005 are provided solely to the office of  
2 the superintendent of public instruction for focused assistance. The  
3 office of the superintendent of public instruction shall conduct  
4 educational audits of low-performing schools and enter into performance  
5 agreements between school districts and the office to implement the  
6 recommendations of the audit and the community. Each educational audit  
7 shall include recommendations for best practices and ways to address  
8 identified needs and shall be presented to the community in a public  
9 meeting to seek input on ways to implement the audit and its  
10 recommendations.

11 ~~((+15+))~~ (16) \$1,764,000 of the general fund--state appropriation  
12 for fiscal year 2004 and \$1,764,000 of the general fund--state  
13 appropriation for fiscal year 2005 are provided solely for the  
14 mathematics helping corps subject to the following conditions and  
15 limitations:

16 (a) In order to increase the availability and quality of technical  
17 mathematics assistance statewide, the superintendent of public  
18 instruction shall employ mathematics school improvement specialists to  
19 provide assistance to schools and districts. The specialists shall be  
20 hired by and work under the direction of a statewide school improvement  
21 coordinator. The mathematics improvement specialists shall not be  
22 permanent employees of the superintendent of public instruction.

23 (b) The school improvement specialists shall provide the following:

24 (i) Assistance to schools to disaggregate student performance data  
25 and develop improvement plans based on those data;

26 (ii) Consultation with schools and districts concerning their  
27 performance on the Washington assessment of student learning and other  
28 assessments emphasizing the performance on the mathematics assessments;

29 (iii) Consultation concerning curricula that aligns with the  
30 essential academic learning requirements emphasizing the academic  
31 learning requirements for mathematics, the Washington assessment of  
32 student learning, and meets the needs of diverse learners;

33 (iv) Assistance in the identification and implementation of  
34 research-based instructional practices in mathematics;

35 (v) Staff training that emphasizes effective instructional  
36 strategies and classroom-based assessment for mathematics;

37 (vi) Assistance in developing and implementing family and community  
38 involvement programs emphasizing mathematics; and

(vii) Other assistance to schools and school districts intended to improve student mathematics learning.

~~((16) \$87,901,000))~~ (17) \$314,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the reading initiative and \$515,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the math initiative. The office of the superintendent of public instruction shall evaluate textbooks and other instructional materials for reading and math to determine the extent to which they are aligned with the state standards. A scorecard of the analysis shall be made available to school districts. The superintendent shall also develop and disseminate information on essential components of comprehensive, school-based reading and math programs and shall work with mentor teachers from around the state to develop guidelines for eligibility, training, and professional development for mentor math teachers.

(18) \$125,772,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

~~((17) \$25,046,000))~~ (19) \$25,955,000 of the general fund--federal appropriation is provided for the reading first program under Title I of the no child left behind act.

**Sec. 513.** 2003 1st sp.s. c 25 s 514 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund--State Appropriation (FY 2004) . . . . .	<del>(( \$49,791,000 ))</del>
	<u>\$50,678,000</u>
General Fund--State Appropriation (FY 2005) . . . . .	<del>(( \$52,062,000 ))</del>
	<u>\$54,050,000</u>
General Fund--Federal Appropriation (FY 2005) . . . . .	<del>(( \$46,309,000 ))</del>
	<u>\$44,544,000</u>
TOTAL APPROPRIATION . . . . .	<del>(( \$148,162,000 ))</del>
	<u>\$149,272,000</u>

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

- (1) Each general fund fiscal year appropriation includes such funds

1 as are necessary to complete the school year ending in the fiscal year  
2 and for prior fiscal year adjustments.

3 (2) The superintendent shall distribute a maximum of \$725.11 per  
4 eligible bilingual student in the 2003-04 school year and (~~(\$725.11)~~)  
5 \$725.17 in the 2004-05 school year, exclusive of salary and benefit  
6 adjustments provided in section 504 of this act.

7 (3) The superintendent may withhold up to \$700,000 in school year  
8 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per  
9 eligible pupil rates in subsection (2) of this section accordingly, for  
10 the central provision of assessments as provided in RCW 28A.180.090 (1)  
11 and (2).

12 (4) \$70,000 of the amounts appropriated in this section are  
13 provided solely to develop a system for the tracking of current and  
14 former transitional bilingual program students.

15 (5) The general fund--federal appropriation in this section is  
16 provided for migrant education under Title I Part C and English  
17 language acquisition, and language enhancement grants under Title III  
18 of the elementary and secondary education act.

19 **Sec. 514.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to  
20 read as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**  
22 **ASSISTANCE PROGRAM**

23	General Fund--State Appropriation (FY 2004) . . . . .	( <del>(\$65,385,000)</del> )
24		<u>\$64,366,000</u>
25	General Fund--State Appropriation (FY 2005) . . . . .	( <del>(\$64,051,000)</del> )
26		<u>\$62,929,000</u>
27	General Fund--Federal Appropriation . . . . .	( <del>(\$307,178,000)</del> )
28		<u>\$301,322,000</u>
29	TOTAL APPROPRIATION . . . . .	( <del>(\$436,614,000)</del> )
30		<u>\$428,617,000</u>

31 (1) The general fund--state appropriations in this section are  
32 subject to the following conditions and limitations:

33 (a) Each general fund--state fiscal year appropriation includes  
34 such funds as are necessary to complete the school year ending in the  
35 fiscal year and for prior fiscal year adjustments.

36 (b) Funding for school district learning assistance programs shall  
37 be allocated at maximum rates of \$432.15 per funded unit for the 2003-

1 04 school year and (~~(\$433.03)~~) \$432.53 per funded unit for the 2004-05  
2 school year exclusive of salary and benefit adjustments provided under  
3 section 504 of this act.

4 (c) For purposes of this section, "test results" refers to the  
5 district results from the norm-referenced test administered in the  
6 specified grade level. The norm-referenced test results used for the  
7 third and sixth grade calculations shall be consistent with the third  
8 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

9 (d) A school district's general fund--state funded units shall be  
10 the sum of the following:

11 (i) The district's full-time equivalent enrollment in grades K-6,  
12 multiplied by the 5-year average 4th grade lowest quartile test results  
13 as adjusted for funding purposes in the school years prior to 1999-  
14 2000, multiplied by 0.82. As the 3rd grade test becomes available, it  
15 shall be phased into the 5-year average on a 1-year lag;

16 (ii) The district's full-time equivalent enrollment in grades 7-9,  
17 multiplied by the 5-year average 8th grade lowest quartile test results  
18 as adjusted for funding purposes in the school years prior to 1999-  
19 2000, multiplied by 0.82. As the 6th grade test becomes available, it  
20 shall be phased into the 5-year average for these grades on a 1-year  
21 lag;

22 (iii) The district's full-time equivalent enrollment in grades 10-  
23 11 multiplied by the 5-year average 11th grade lowest quartile test  
24 results, multiplied by 0.82. As the 9th grade test becomes available,  
25 it shall be phased into the 5-year average for these grades on a 1-year  
26 lag;

27 (iv) If, in the prior school year, the district's percentage of  
28 October headcount enrollment in grades K-12 eligible for free and  
29 reduced price lunch exceeded the state average, subtract the state  
30 average percentage of students eligible for free and reduced price  
31 lunch from the district's percentage and multiply the result by the  
32 district's K-12 annual average full-time equivalent enrollment for the  
33 current school year multiplied by 22.3 percent; and

34 (v) In addition to amounts allocated under (d) of this subsection,  
35 for school districts in which the effective Title I Part A (basic  
36 program) increase is insufficient to cover the formula change in the  
37 multiplier from .92 to .82, a state allocation shall be provided that,  
38 when combined with the effective increase in federal Title I Part A

1 (basic program) funds from the 2001-02 school year, is sufficient to  
2 cover this amount. The effective Title I Part A (basic program)  
3 increase is the current school year federal Title I Part A (basic  
4 program) allocation minus the 2001-02 school year federal Title I Part  
5 A (basic program) allocation, after the 2001-02 Title I Part A  
6 allocation has been inflated by three percent.

7 (2) The general fund--federal appropriation in this section is  
8 provided for Title I Part A allocations of the no child left behind act  
9 of 2001.

10 (3) A school district may carry over from one year to the next up  
11 to 10 percent of the general fund--state funds allocated under this  
12 program; however, carryover funds shall be expended for the learning  
13 assistance program.

14 **Sec. 515.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to  
15 read as follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**  
17 **PROGRAM**

18	Student Achievement Fund--State	
19	Appropriation (FY 2004) . . . . .	(( <del>\$203,123,000</del> ))
20		<u>\$206,825,000</u>
21	Student Achievement Fund--State	
22	Appropriation (FY 2005) . . . . .	(( <del>\$195,080,000</del> ))
23		<u>\$195,535,000</u>
24	TOTAL APPROPRIATION . . . . .	(( <del>\$398,203,000</del> ))
25		<u>\$402,360,000</u>

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

28 (1) Funding for school district student achievement programs shall  
29 be allocated at a maximum rate of ((~~\$211.67~~)) \$211.72 per FTE student  
30 for the 2003-04 school year and \$254.00 per FTE student for the 2004-  
31 05 school year. For the purposes of this section and in accordance  
32 with RCW 84.52.068, FTE student refers to the annual average full-time  
33 equivalent enrollment of the school district in grades kindergarten  
34 through twelve for the prior school year.

35 (2) The appropriation is allocated for the following uses as  
36 specified in RCW 28A.505.210:



1 (a) To reduce class size by hiring certificated elementary  
2 classroom teachers in grades K-4 and paying nonemployee-related costs  
3 associated with those new teachers;

4 (b) To make selected reductions in class size in grades 5-12, such  
5 as small high school writing classes;

6 (c) To provide extended learning opportunities to improve student  
7 academic achievement in grades K-12, including, but not limited to,  
8 extended school year, extended school day, before-and-after-school  
9 programs, special tutoring programs, weekend school programs, summer  
10 school, and all-day kindergarten;

11 (d) To provide additional professional development for educators  
12 including additional paid time for curriculum and lesson redesign and  
13 alignment, training to ensure that instruction is aligned with state  
14 standards and student needs, reimbursement for higher education costs  
15 related to enhancing teaching skills and knowledge, and mentoring  
16 programs to match teachers with skilled, master teachers. The funding  
17 shall not be used for salary increases or additional compensation for  
18 existing teaching duties, but may be used for extended year and  
19 extended day teaching contracts;

20 (e) To provide early assistance for children who need  
21 prekindergarten support in order to be successful in school; or

22 (f) To provide improvements or additions to school building  
23 facilities which are directly related to the class size reductions and  
24 extended learning opportunities under (a) through (c) of this  
25 subsection (2).

26 (3) For the 2003-04 school year, the office of the superintendent  
27 of public instruction shall distribute ten percent of the school year  
28 allocation to districts each month for the months of September through  
29 June. For the 2004-05 school year, the superintendent of public  
30 instruction shall distribute the school year allocation according to  
31 the monthly apportionment schedule defined in RCW 28A.510.250.

32 **NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**  
33 **INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS**

34 Public Safety and Education Account--  
35 Appropriation (FY 2005) . . . . . \$831,000

36 The appropriation in this section is subject to the following  
37 conditions and limitations: The amount in this section is provided

1 solely to implement Third Substitute House Bill No. 1796 (driver's  
2 education funding). If Third Substitute House Bill No. 1796 is not  
3 enacted by June 30, 2004, the amount in this section shall lapse.

4 **Sec. 517.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to  
5 read as follows:

6 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State  
7 general fund and state student achievement fund appropriations provided  
8 to the superintendent of public instruction for state entitlement  
9 programs in the public schools in this part V of this act may be  
10 expended as needed by the superintendent for adjustments to  
11 apportionment for prior fiscal periods. Recoveries of state general  
12 fund moneys from school districts and educational service districts for  
13 a prior fiscal period shall be made as reductions in apportionment  
14 payments for the current fiscal period and shall be shown as prior year  
15 adjustments on apportionment reports for the current period. Such  
16 recoveries shall not be treated as revenues to the state, but as a  
17 reduction in the amount expended against the appropriation for the  
18 current fiscal period.

(End of part)

**PART VI**  
**HIGHER EDUCATION**

**Sec. 601.** 2003 1st sp.s. c 25 s 602 (uncodified) is amended to read as follows:

(1) The appropriations in sections 603 through 610 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	2003-04		2004-05	
	Annual		Annual	
	Average		Average	
University of Washington				
Main campus	((32,427))	<u>32,458</u>	((32,427))	<u>32,986</u>
Bothell branch	1,235		1,235	
Tacoma branch	((1,484))	<u>1,494</u>	((1,484))	<u>1,494</u>
Washington State University				
Main campus	((17,348))	<u>17,479</u>	((17,364))	<u>17,793</u>
Spokane branch	((593))	<u>616</u>	((593))	<u>616</u>
Tri-Cities branch	((616))	<u>633</u>	((616))	<u>633</u>
Vancouver branch	((1,153))	<u>1,162</u>	((1,153))	<u>1,162</u>
Central Washington University				
Eastern Washington University	((7,666))	<u>7,809</u>	((7,666))	<u>7,976</u>
The Evergreen State College	((8,017))	<u>8,150</u>	((8,017))	<u>8,272</u>
Western Washington University	((3,837))	<u>3,871</u>	((3,837))	<u>3,929</u>
State Board for Community and Technical Colleges	((41,126))	<u>11,242</u>	((41,126))	<u>11,411</u>
Higher Education Coordinating Board	((126,070))	<u>127,189</u>	((126,070))	<u>129,097</u>
	((246))	<u>0</u>	((500))	<u>860</u>

(2)(a) In addition to the annual full-time equivalent student enrollments enumerated in this section, funding is provided in (i) section 603 of this act for additional community or technical college

1 full-time equivalent student enrollments in high-demand fields of study  
2 and (ii) section 722 of this act (special appropriations to the  
3 governor) for additional full-time equivalent transfer student  
4 enrollments with junior-class standing.

5 (b) For the state universities, the number of full-time equivalent  
6 student enrollments enumerated in this section for the branch campuses  
7 are the minimum required enrollment levels for those campuses. At the  
8 start of an academic year, the governing board of a state university  
9 may transfer full-time equivalent student enrollments from the main  
10 campus to one or more branch campus. Intent notice shall be provided  
11 to the office of financial management and reassignment of funded  
12 enrollment is contingent upon satisfying data needs of the forecast  
13 division who is responsible to track and monitor state-supported  
14 college enrollment.

15 (3) It is the intent of the legislature that baccalaureate higher  
16 education institutions manage actual full-time equivalent student  
17 enrollments to be within a band of two percent of budgeted enrollments,  
18 over a period of three years.

19 **Sec. 602.** 2003 1st sp.s. c 25 s 603 (uncodified) is amended to  
20 read as follows:

21 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

22 General Fund--State Appropriation (FY 2004) . . . . .	(( \$507,960,000 ))
23	<u>\$509,268,000</u>
24 General Fund--State Appropriation (FY 2005) . . . . .	(( \$517,854,000 ))
25	<u>\$533,309,000</u>
26 Administrative Contingency Account--State	
27 Appropriation . . . . .	(( \$3,200,000 ))
28	<u>\$5,200,000</u>
29 TOTAL APPROPRIATION . . . . .	(( \$1,029,014,000 ))
30	<u>\$1,047,777,000</u>

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

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

36 (2) \$1,250,000 of the general fund--state appropriation for fiscal  
37 year 2004 and \$1,250,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to increase salaries and related  
2 benefits for part-time faculty. The board shall report by January 30,  
3 2004, to the office of financial management and legislative fiscal and  
4 higher education committees on (a) the distribution of state funds; and  
5 (b) wage adjustments for part-time faculty.

6 (3) \$1,250,000 of the general fund--state appropriation for fiscal  
7 year 2004 and \$1,250,000 of the general fund--state appropriation for  
8 fiscal year 2005 are provided solely for faculty salary increments and  
9 associated benefits and may be used in combination with salary and  
10 benefit savings from faculty turnover to provide salary increments and  
11 associated benefits.

12 (4) \$1,000,000 of the general fund--state appropriation for fiscal  
13 year 2004 and \$1,000,000 of the general fund--state appropriation for  
14 fiscal year 2005 are provided for a program to fund the start-up of new  
15 community and technical college programs in rural counties as defined  
16 under RCW 43.160.020(12) and in communities impacted by business  
17 closures and job reductions. Successful proposals must respond to  
18 local economic development strategies and must include a plan to  
19 continue programs developed with this funding.

20 (5) \$675,000 of the general fund--state appropriation for fiscal  
21 year 2004 and \$675,000 of the general fund--state appropriation for  
22 fiscal year 2005 are provided solely for allocation to Clark Community  
23 College and Lower Columbia Community College to prepare a total of 168  
24 full-time equivalent students for transfer to the engineering and  
25 science institute at the Vancouver branch campus of Washington State  
26 University. The appropriations in this section are intended to  
27 supplement, not supplant, general enrollment allocations by the board  
28 to districts named in this subsection.

29 (6) \$640,000 of the general fund--state appropriation for fiscal  
30 year 2004 and \$640,000 of the general fund--state appropriation for  
31 fiscal year 2005 are provided solely for allocation to twelve college  
32 districts identified in (a) through (l) of this subsection to prepare  
33 students for transfer to the state technology institute at the Tacoma  
34 branch campus of the University of Washington. The appropriations in  
35 this section are intended to supplement, not supplant, general  
36 enrollment allocations by the board to the districts under (a) through  
37 (l) of this subsection:

38 (a) Bates Technical College;

- 1 (b) Bellevue Community College;
- 2 (c) Centralia Community College;
- 3 (d) Clover Park Community College;
- 4 (e) Grays Harbor Community College;
- 5 (f) Green River Community College;
- 6 (g) Highline Community College;
- 7 (h) Tacoma Community College;
- 8 (i) Olympic Community College;
- 9 (j) Pierce District;
- 10 (k) Seattle District; and
- 11 (l) South Puget Sound Community College.

12 (7) \$28,761,000 of the general fund--state appropriation for fiscal  
13 year 2004 (~~and \$28,761,000~~), \$26,761,000 of the general fund--state  
14 appropriation for fiscal year 2005, and \$2,000,000 of the  
15 administrative contingency account--state appropriation are provided  
16 solely as special funds for training and related support services,  
17 including financial aid, as specified in chapter 226, Laws of 1993  
18 (employment and training for unemployed workers). Funding is provided  
19 to support up to (~~6,200~~) 7,219 full-time equivalent students in each  
20 fiscal year.

21 (8) \$1,000,000 of the general fund--state appropriation for fiscal  
22 year 2004 and \$1,000,000 of the general fund--state appropriation for  
23 fiscal year 2005 are provided solely for tuition support for students  
24 enrolled in work-based learning programs.

25 (9) \$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, as well as  
38 successful partnerships being supported by these state funds.

1 (10) \$250,000 of the administrative contingency account--state  
2 appropriation is provided solely and on a one-time basis to start up a  
3 college district consortium organized under the name "alliance for  
4 corporate education." Financial operations shall be self-sustaining by  
5 no later than June 30, 2005, after which time any amount remaining  
6 unexpended from this amount shall lapse.

7 (11) \$50,000 of the general fund--state appropriation for fiscal  
8 year 2004 and \$50,000 of the general fund--state appropriation for  
9 fiscal year 2005 are solely for higher education student child care  
10 matching grants under chapter 28B.135 RCW.

11 (12) \$212,000 of the general fund--state appropriation for fiscal  
12 year 2004 and \$212,000 of the general fund--state appropriation for  
13 fiscal year 2005 are provided for allocation to Olympic college. The  
14 college shall contract with accredited baccalaureate institution(s) to  
15 bring a program of upper-division courses to Bremerton. The state  
16 board for community and technical colleges shall report to the office  
17 of financial management and the fiscal and higher education committees  
18 of the legislature on the implementation of this subsection by December  
19 1st of each fiscal year.

20 (13) \$6,304,000 of the general fund--state appropriation for fiscal  
21 year 2004 and (~~(\$6,305,000)~~) \$12,704,000 of the general fund--state  
22 appropriation for fiscal year 2005 are provided solely to expand  
23 enrollment in high-demand fields.

24 (a) High-demand fields means (i) health services, (ii) applied  
25 science and engineering, (iii) viticulture and enology, (~~and~~) (iv)  
26 expansion of worker retraining programs, (v) information technology,  
27 (vi) manufacturing, and (vii) energy technology. The state board  
28 shall allocate resources among the (~~four~~) seven areas specified in  
29 this subsection and shall manage a competitive process for awarding  
30 resources for health services, viticulture, enology, (~~and~~) applied  
31 science and engineering, information technology, manufacturing, and  
32 energy technology programs.

33 (b) The state board shall provide information on the number of  
34 additional headcount and full-time equivalent students enrolled in  
35 high-demand fields (~~by November 1 of each fiscal year~~) at the  
36 conclusion of each academic year, as soon as final enrollment data  
37 becomes available, to the office of financial management and the fiscal  
38 and higher education committees of the legislature.

1 (14) \$111,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$86,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely to support the development of a  
4 comprehensive viticulture (grape growing) and enology (wine making)  
5 higher education program in Washington state. From these sums, the  
6 state board shall allocate:

7 (a) \$75,000 a year to Walla Walla community college for its  
8 associate science and associate arts degree programs for the purpose of  
9 vineyard and wine-making equipment purchases, student labor,  
10 instructional supplies, field work, and travel expenses;

11 (b) \$25,000 on a one-time basis to Wenatchee community college for  
12 the purpose of adapting its orchard employee educational program; and

13 (c) \$22,000 on a one-time basis to Yakima Valley community college  
14 for the purpose of vineyard and wine-making equipment and supply  
15 purchases.

16 The college districts named in this subsection are encouraged to  
17 seek a portion of the high-demand student enrollment funding made  
18 available on a competitive basis through the state board to address  
19 their respective need for additional instructors and professional  
20 staff.

21 (15) \$300,000 of the general fund--state appropriation for fiscal  
22 year 2005 is provided solely for the transition math project to address  
23 the need to reduce remedial math courses taken at institutions of  
24 higher education.

25 (a) The project will bring together representatives from the K-12  
26 system, the two-year college system, and the public four-year  
27 institutions of higher education to: (i) Align standards and  
28 expectations for mathematics so that high school graduates will be well  
29 prepared to enter college-level math courses; (ii) increase student  
30 success in completing math requirements in high school and college  
31 through careful attention to improved instruction and assessment; and  
32 (iii) communicate math expectations to students through clear and  
33 consistent messages and focused educational advising. The state board  
34 for community and technical colleges will serve as fiscal agent for the  
35 project.

36 (b) By December 1, 2004, the state board, in coordination with the  
37 K-12 system and the public four-year institutions of higher education,  
38 shall provide a progress report on the transition math project to the



1 office of financial management and the fiscal and higher education  
2 committees of the legislature. A final report will be submitted by  
3 December 1, 2005 and shall identify specific strategies implemented to  
4 reduce remedial math courses taken at higher education institutions, as  
5 well as a long-term plan to achieve measurable and specific  
6 improvements each academic year for substantial progress towards the  
7 achievement of this goal.

8 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to  
9 read as follows:

10 **FOR THE UNIVERSITY OF WASHINGTON**

11	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$311,628,000</del> ))
12		<u>\$310,866,000</u>
13	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$319,584,000</del> ))
14		<u>\$326,630,000</u>
15	General Fund--Private/Local Appropriation . . . . .	\$300,000
16	Death Investigations Account--State	
17	Appropriation . . . . .	\$261,000
18	Accident Account--State Appropriation . . . . .	\$5,937,000
19	Medical Aid Account--State Appropriation . . . . .	\$5,960,000
20	TOTAL APPROPRIATION . . . . .	(( <del>\$643,670,000</del> ))
21		<u>\$649,954,000</u>

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

24 (1) \$1,875,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$1,875,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely to create a state resource for  
27 technology education in the form of an institute located at the  
28 University of Washington, Tacoma. The university will continue to  
29 provide undergraduate and graduate degree programs meeting regional  
30 technology needs including, but not limited to, computing and software  
31 systems. As a condition of these appropriations:

32 (a) The university will work with the state board for community and  
33 technical colleges, or individual colleges where necessary, to  
34 establish articulation agreements in addition to the existing associate  
35 of arts and associate of science transfer degrees. Such agreements  
36 shall improve the transferability of students and in particular,  
37 students with substantial applied information technology credits.

1 (b) The university will establish performance measures for  
2 recruiting, retaining and graduating students, including nontraditional  
3 students, and report back to the governor and legislature by September  
4 2004 as to its progress and future steps.

5 (2) \$150,000 of the general fund--state appropriation for fiscal  
6 year 2004 and \$150,000 of the general fund--state appropriation for  
7 fiscal year 2005 are provided solely for research faculty clusters in  
8 the advanced technology initiative program.

9 (3) The entire death investigations account appropriation is  
10 provided for the forensic pathologist fellowship program.

11 (4) \$150,000 of the general fund--state appropriation for fiscal  
12 year 2004 and \$150,000 of the general fund--state appropriation for  
13 fiscal year 2005 are provided solely for the implementation of the  
14 Puget Sound work plan and agency action item UW-01.

15 (5) \$75,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$75,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely for the Olympic natural resources  
18 center.

19 (6) \$1,526,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$3,096,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for competitively offered  
22 recruitment and retention salary adjustments for instructional and  
23 research faculty, exempt professional staff, academic administrators,  
24 academic librarians, counselors, teaching and research assistants, as  
25 classified by the office of financial management, and all other  
26 nonclassified staff, but not including employees under RCW 28B.16.015.  
27 Tuition revenues may be expended in addition to those required by this  
28 section to further provide recruitment and retention salary  
29 adjustments.

30 (7) \$1,250,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$1,250,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for state match to attract or  
33 retain federal research grants in high demand and technologically  
34 advanced fields.

35 (8) \$300,000 of the general fund--private/local appropriation is  
36 provided solely for shellfish biotoxin monitoring as specified in  
37 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

1       (9) \$2,900,000 of the general fund--state appropriation in fiscal  
2 year 2005 is provided solely for the University of Washington's school  
3 of medicine for the recruitment of biosciences research faculty to  
4 establish a proteomics center.

5       (10) \$1,897,000 of the general fund--state appropriation for fiscal  
6 year 2005 is provided solely for the training and support of primary  
7 care physicians and primary care providers through the network of  
8 family practice residency programs. All of the funding provided in  
9 this section shall be distributed directly to the family practice  
10 residency programs to assist with cost increases experienced by the  
11 programs, including the cost of medical malpractice premiums.

12       (11) \$30,000 of the general fund--state appropriation for fiscal  
13 year 2005 is provided solely for research on labor and economic issues  
14 in Washington. All of the funding provided in this subsection shall be  
15 allocated to the Harry Bridges Center to support research and shall not  
16 be used for overhead expenses.

17       (12) The University of Washington shall present a preliminary  
18 report to the fiscal committees of the legislature detailing the use of  
19 state research funds by November 1, 2004, and shall present a final  
20 report by November 1, 2005. For each research project supported by the  
21 state general fund in the 2003-05 biennium, including projects funded  
22 in the university's base budget, the report shall include: (a) A brief  
23 description of the research project; (b) the amount of state and  
24 institutional funds contributed to the project; (c) the level of  
25 federal or other sources of match received for the state's investment;  
26 and (d) any other information deemed pertinent by the institution.

27       (13) By December 15, 2004, the University of Washington Bothell  
28 shall submit to the higher education and fiscal committees of the  
29 legislature a plan to phase in lower-division courses at the campus.  
30 At a minimum, the following issues should be addressed in the plan:

31       (a) An enrollment plan that provides adequate capacity for  
32 community college transfer students;

33       (b) Appropriate levels of state general fund support and tuition  
34 and fees for the campus, commensurate with a role and mission similar  
35 to a comprehensive university;

36       (c) Identification of any start-up costs to implement the phase-in  
37 of lower division courses; and

38       (d) Other issues deemed pertinent by the institution.

1       **Sec. 604.** 2003 1st sp.s. c 25 s 605 (uncodified) is amended to  
2 read as follows:

3 **FOR WASHINGTON STATE UNIVERSITY**

4	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$185,265,000</del> ))
5		<u>\$184,966,000</u>
6	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$189,954,000</del> ))
7		<u>\$192,450,000</u>
8	Washington State University Building Account--	
9	State Appropriation . . . . .	\$150,000
10	TOTAL APPROPRIATION . . . . .	(( <del>\$375,369,000</del> ))
11		<u>\$377,566,000</u>

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

14       (1) \$507,000 of the general fund--state appropriation for fiscal  
15 year 2004 and \$1,014,000 of the general fund--state appropriation for  
16 fiscal year 2005 are provided solely to expand the entering class of  
17 veterinary medicine students by 16 full-time equivalent residents each  
18 academic year during the 2003-05 biennium.

19       (2) \$657,000 of the general fund--state appropriation for fiscal  
20 year 2004, \$180,000 of the general fund--state appropriation for fiscal  
21 year 2005, and the entire Washington state university building account  
22 appropriation are provided solely to support the development of a  
23 comprehensive viticulture (grape growing) and enology (wine making)  
24 higher education program in Washington state. In consideration of  
25 these appropriations, the legislature intends to provide ongoing  
26 support of not less than \$180,000 a year for extension field personnel  
27 and services. The balance of the amount provided from the fiscal year  
28 2004 appropriation is provided on a one-year basis to enable the  
29 university to appoint jointly shared faculty between the Pullman main  
30 campus and its branch campus in the TriCities. The legislature expects  
31 the university to meet ongoing faculty, staff, and related expenses to  
32 support the delivery of baccalaureate degree programs in viticulture  
33 and enology by making a successful bid for a portion of high-demand  
34 enrollment funding that will be distributed on a competitive basis by  
35 the state higher education coordinating board for student instruction  
36 pursuant to section 610(3) of this act.

37       (3) \$675,000 of the general fund--state appropriation for fiscal  
38 year 2004 and \$675,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for allocation in full to the  
2 branch campus in Vancouver to create and operate a state institute for  
3 engineering and science in partnership with Clark and Lower Columbia  
4 community colleges and regional industry leaders in southwest  
5 Washington. As a condition of this appropriation, the university shall  
6 develop and provide to the satisfaction of the office of financial  
7 management a business plan for the new institute. The university,  
8 together with its two-year college and industry partners, shall provide  
9 the governor, legislature, and state higher education coordinating  
10 board with an annual summary of its progress to produce more graduates  
11 trained in applied science technologies and engineering. Annual  
12 reports to inform and advise policymakers of the partners' success,  
13 emerging issues, and resource needs if any shall occur by no later than  
14 November 15 during the 2003-05 biennium.

15 (4) \$150,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$150,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely for research faculty clusters in  
18 the advanced technology initiative program.

19 (5) \$165,000 of the general fund--state appropriation for fiscal  
20 year 2004 and \$166,000 of the general fund--state appropriation for  
21 fiscal year 2005 are provided solely for the implementation of the  
22 Puget Sound work plan and agency action item WSU-01.

23 (6) \$949,000 of the general fund--state appropriation for fiscal  
24 year 2004 and \$1,927,000 of general fund--state appropriation for  
25 fiscal year 2005 are provided solely for competitively offered  
26 recruitment and retention salary adjustments for instructional and  
27 research faculty, exempt professional staff, academic administrators,  
28 academic librarians, counselors, teaching and research assistants, as  
29 classified by the office of financial management, and all other  
30 nonclassified staff, but not including employees under RCW 28B.16.015.  
31 Tuition revenues may be expended in addition to those required by this  
32 section to further provide recruitment and retention salary  
33 adjustments.

34 (7) \$850,000 of the general fund--state appropriation for fiscal  
35 year 2005 is provided solely for state match to attract or retain  
36 federal research grants in high demand and technologically advanced  
37 fields.

1       (8) \$50,000 of the general fund--state appropriation for fiscal  
2 year 2005 is provided solely for research to develop alternative  
3 control mechanisms for burrowing shrimp.

4       (9) \$270,000 of the general fund--state appropriation for fiscal  
5 year 2005 is provided solely to the college of veterinary medicine to  
6 support the development of a live animal test for bovine spongiform  
7 encephalopathy.

8       (10) Washington State University shall present a preliminary report  
9 to the fiscal committees of the legislature detailing the use of state  
10 research funds by November 1, 2004, and shall present a final report by  
11 November 1, 2005. For each research project supported by the state  
12 general fund in the 2003-05 biennium, including projects funded in the  
13 university's base budget, the report shall include: (a) A brief  
14 description of the research project; (b) the amount of state and  
15 institutional funds contributed to the project; (c) the level of  
16 federal or other sources of match received for the state's investment;  
17 and (d) any other information deemed pertinent by the institution.

18       **Sec. 605.** 2003 1st sp.s. c 25 s 606 (uncodified) is amended to  
19 read as follows:

20 **FOR EASTERN WASHINGTON UNIVERSITY**

21	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$40,861,000</del> ))
22		<u>\$40,796,000</u>
23	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$42,183,000</del> ))
24		<u>\$42,798,000</u>
25	TOTAL APPROPRIATION . . . . .	(( <del>\$83,044,000</del> ))
26		<u>\$83,594,000</u>

27       The appropriations in this section are subject to the following  
28 conditions and limitations: \$248,000 of the general fund--state  
29 appropriation for fiscal year 2004 and \$503,000 of general fund--state  
30 appropriation for fiscal year 2005 are provided solely for  
31 competitively offered recruitment and retention salary adjustments for  
32 instructional and research faculty, exempt professional staff, academic  
33 administrators, academic librarians, counselors, teaching and research  
34 assistants, as classified by the office of financial management, and  
35 all other nonclassified staff, but not including employees under RCW  
36 28B.16.015. Tuition revenues may be expended in addition to those

1 required by this section to further provide recruitment and retention  
2 salary adjustments.

3 **Sec. 606.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to  
4 read as follows:

5 **FOR CENTRAL WASHINGTON UNIVERSITY**

6	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$39,765,000</del> ))
7		<u>\$39,694,000</u>
8	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$41,391,000</del> ))
9		<u>\$42,449,000</u>
10	TOTAL APPROPRIATION . . . . .	(( <del>\$81,156,000</del> ))
11		<u>\$82,143,000</u>

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

14 (1) \$1,050,000 of the general fund--state appropriation for fiscal  
15 year 2004 and \$1,050,000 of the general fund--state appropriation for  
16 fiscal year 2005 are provided to expand university enrollment by 196  
17 full-time equivalent students.

18 (2) \$206,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$418,000 of general fund--state appropriation for fiscal  
20 year 2005 are provided solely for competitively offered recruitment and  
21 retention salary adjustments for instructional and research faculty,  
22 exempt professional staff, academic administrators, academic  
23 librarians, counselors, teaching and research assistants, as classified  
24 by the office of financial management, and all other nonclassified  
25 staff, but not including employees under RCW 28B.16.015. Tuition  
26 revenues may be expended in addition to those required by this section  
27 to further provide recruitment and retention salary adjustments.

28 **Sec. 607.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to  
29 read as follows:

30 **FOR THE EVERGREEN STATE COLLEGE**

31	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$22,881,000</del> ))
32		<u>\$22,834,000</u>
33	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$23,618,000</del> ))
34		<u>\$23,886,000</u>
35	TOTAL APPROPRIATION . . . . .	(( <del>\$46,499,000</del> ))
36		<u>\$46,720,000</u>

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

3 (1) \$124,000 of the general fund--state appropriation for fiscal  
4 year 2004 and \$252,000 of general fund--state appropriation for fiscal  
5 year 2005 are provided solely for competitively offered recruitment and  
6 retention salary adjustments for instructional and research faculty,  
7 exempt professional staff, academic administrators, academic  
8 librarians, counselors, teaching and research assistants, as classified  
9 by the office of financial management, and all other nonclassified  
10 staff, but not including employees under RCW 28B.16.015. Tuition  
11 revenues may be expended in addition to those required by this section  
12 to further provide recruitment and retention salary adjustments.

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

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

24 Using this research, the institute shall identify specific  
25 research-proven programs that produce a positive return on the dollar  
26 compared to the costs of the program. The institute shall also develop  
27 criteria designed to ensure quality implementation and program fidelity  
28 of research-proven programs in the state. The criteria shall include  
29 measures for ongoing monitoring and continual improvement of treatment  
30 delivery, and shall be feasible for inclusion in a contract for  
31 services. The institute shall develop recommendations for potential  
32 state legislation that encourages local government investment in  
33 research-proven prevention and early intervention programs by  
34 reimbursing local governments for a portion of the savings that accrue  
35 to the state as the result of local investments in such programs. The  
36 institute shall present a preliminary report of its findings to the  
37 appropriate committees of the legislature by December 1, 2003, and  
38 shall present a final report by (~~March~~) July 1, 2004.



1 (b) \$26,000 of the general fund--state appropriation for fiscal  
2 year 2004 is provided solely for the Washington state institute for  
3 public policy to develop adherence and outcome standards for measuring  
4 the effectiveness of treatment programs referred to in Chapter 378,  
5 Laws of 2003 (ESSB 5903). The standards shall be developed and  
6 presented to the governor and legislature by no later than January 1,  
7 2004.

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

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

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

24 (iii) The institute for public policy shall present a preliminary  
25 report of its findings to the governor and to the appropriate standing  
26 committees of the legislature by December 15, 2003, and shall present  
27 a final report regarding its findings and recommendations by March 15,  
28 2004.

29 (d) \$12,000 of the general fund--state appropriation for fiscal  
30 year 2004 and \$12,000 of the general fund--state appropriation for  
31 fiscal year 2005 are provided solely for the Washington state institute  
32 for public policy to examine the results of the changes in earned  
33 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall  
34 determine whether the changes in earned release affect the rate of  
35 recidivism or the type of offenses committed by persons whose release  
36 dates were affected by the changes under the bill. The institute shall  
37 report its findings to the governor and appropriate committees of the  
38 legislature by no later than December 1, 2008.

1        ~~((e) \$25,000 of the general fund state appropriation for fiscal~~  
2 ~~year 2004 and \$25,000 of the general fund state appropriation for~~  
3 ~~fiscal year 2005 are provided solely for the institute for public~~  
4 ~~policy to conduct the evaluation outlined in Substitute Senate Bill No.~~  
5 ~~5012 (charter schools). If the bill is not enacted by June 30, 2003,~~  
6 ~~the amounts provided in this subsection shall lapse.))~~

7        **Sec. 608.** 2003 1st sp.s. c 25 s 609 (uncodified) is amended to  
8 read as follows:

9        **FOR WESTERN WASHINGTON UNIVERSITY**

10	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$53,645,000</del> ))
11		<u>\$53,539,000</u>
12	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$55,537,000</del> ))
13		<u>\$56,353,000</u>
14	TOTAL APPROPRIATION . . . . .	(( <del>\$109,182,000</del> ))
15		<u>\$109,892,000</u>

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

18        (1) \$980,400 of the general fund--state appropriation for fiscal  
19 year 2004 and \$980,400 of the general fund--state appropriation for  
20 fiscal year 2005 are provided solely for the operations of the North  
21 Snohomish, Island, Skagit (NSIS) higher education consortium.

22        (2) \$248,000 of the general fund--state appropriation for fiscal  
23 year 2004 and \$503,000 of general fund--state appropriation for fiscal  
24 year 2005 are provided solely for competitively offered recruitment and  
25 retention salary adjustments for instructional and research faculty,  
26 exempt professional staff, academic administrators, academic  
27 librarians, counselors, teaching and research assistants, as classified  
28 by the office of financial management, and all other nonclassified  
29 staff, but not including employees under RCW 28B.16.015. Tuition  
30 revenues may be expended in addition to those required by this section  
31 to further provide recruitment and retention salary adjustments.

32        **Sec. 609.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to  
33 read as follows:

34        **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**  
35 **ADMINISTRATION**

36	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$4,952,000</del> ))
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1		<u>\$4,943,000</u>
2	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$7,716,000</del> ))
3		<u>\$14,365,000</u>
4	General Fund--Federal Appropriation . . . . .	(( <del>\$642,000</del> ))
5		<u>\$649,000</u>
6	TOTAL APPROPRIATION . . . . .	(( <del>\$13,310,000</del> ))
7		<u>\$19,957,000</u>

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

11 (1) Within the appropriations provided in this section, funds are  
12 provided to continue the teacher training pilot program pursuant to  
13 chapter 28B.80 RCW until standing authority for this program expires as  
14 scheduled on January 1, 2005.

15 (2) \$175,000 of the general fund--state appropriation for fiscal  
16 year 2004 and \$175,000 of the general fund--state appropriation for  
17 fiscal year 2005 are provided solely to continue a demonstration  
18 project to improve rural access to post-secondary education by bringing  
19 distance learning technologies into Jefferson county.

20 (3) ((~~\$2,755,000~~)) \$2,740,000 of the general fund--state  
21 appropriation for fiscal year 2004 and ((~~\$5,520,000~~)) \$11,934,000 of  
22 the general fund--state appropriation for fiscal year 2005 are provided  
23 solely to contract for ((~~246~~)) 247 full-time equivalent students in  
24 high demand fields in fiscal year 2004 and an additional ((~~254~~)) 860  
25 full-time equivalent students in high demand fields in fiscal year  
26 2005. High-demand fields are programs where enrollment access is  
27 limited and employers are experiencing difficulty finding qualified  
28 graduates to fill job openings. Of the amounts provided, up to \$70,000  
29 may be used for management of the competitive process for awarding  
30 high-demand student FTEs during the 2003-05 biennium.

31 (a) The board will manage a competitive process for awarding high-  
32 demand student FTEs. Public baccalaureate institutions are eligible to  
33 apply for funding and may submit proposals that include cooperative  
34 partnerships with private independent institutions.

35 (b) Among coequals, the board shall make it a priority to fund  
36 proposals that prepare students for careers in (i) nursing and other  
37 health services; (ii) applied science and engineering; (iii) teaching  
38 and speech pathology; (iv) computing and information technology; and

1 (v) viticulture and enology, but not to the exclusion of compelling  
2 proposals that document specific regional student and employer demand  
3 in fields not listed in this subsection. Proposals and grant awards  
4 will separately identify one-time, nonrecurring costs and ongoing  
5 costs.

6 (c) The board will establish a proposal review committee that will  
7 include, but not be limited to, representatives from the board, the  
8 office of financial management, and economic development and labor  
9 market analysts. The board will develop the request for proposals,  
10 including the criteria for awarding grants, in consultation with the  
11 proposal review committee.

12 (d) Baccalaureate institutions that receive grants shall provide  
13 the board and the forecast division of the office of financial  
14 management with data specified by the board or the office of financial  
15 management that shows the impact of this subsection, particularly the  
16 degree of improved access to high-demand programs for students and  
17 successful job placements for graduates. The board will report on the  
18 implementation of this subsection by November 1 of each fiscal year to  
19 the office of financial management and the fiscal and higher education  
20 committees of the legislature.

21 (4) \$205,000 of the general fund--state appropriation in fiscal  
22 year 2005 is provided solely for a comprehensive and ongoing assessment  
23 system as outlined in Substitute House Bill No. 3103 (higher  
24 education). If the bill is not enacted by June 30, 2004, the amount  
25 provided in this subsection shall lapse.

26 **Sec. 610.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to  
27 read as follows:

28 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**  
29 **PROGRAMS**

30	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$145,217,000</del> ))
31		<u>\$145,228,000</u>
32	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$154,412,000</del> ))
33		<u>\$161,774,000</u>
34	General Fund--Federal Appropriation . . . . .	(( <del>\$7,530,000</del> ))
35		<u>\$7,537,000</u>
36	<u>Health Services Account--State Appropriation . . . . .</u>	<u>\$2,000,000</u>
37	TOTAL APPROPRIATION . . . . .	(( <del>\$307,159,000</del> ))

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

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

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

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

(4) \$25,000 of the general fund--state appropriation for fiscal year 2004 and \$25,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the benefit of students who participate in college assistance migrant programs (CAMP) operating in Washington state. To ensure timely state aid, the board may establish a date after which no additional grants would be available for the 2003-04 and 2004-05 academic years. The board shall disperse grants in equal amounts to eligible post-secondary institutions so that state money in all cases supplements federal CAMP awards.

(5) \$111,628,000 of the general fund--state appropriation for fiscal year 2004 and (~~(\$120,420,000))~~ \$123,387,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the state need grant program. It is the intent of the legislature to serve all state need grant eligible students in the 2004-05 academic year. The higher education coordinating board shall maintain the maximum state need grant award amounts for the 2004-05 academic year at 2003-04 levels. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program.

1 (6) \$17,048,000 of the general fund--state appropriation for fiscal  
2 year 2004 and \$17,048,000 of the general fund--state appropriation for  
3 fiscal year 2005 are provided solely for the state work study program.  
4 After April 1 of each fiscal year, up to one percent of the annual  
5 appropriation for the state work study program may be transferred to  
6 the state need grant program. In addition to the administrative  
7 allowance in subsection (12) of this section, four percent of the  
8 general fund--state amount in this subsection may be expended for state  
9 work study program administration.

10 (7) \$2,867,000 of the general fund--state appropriation for fiscal  
11 year 2004 and \$2,867,000 of the general fund--state appropriation for  
12 fiscal year 2005 are provided solely for educational opportunity grants  
13 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may  
14 deposit sufficient funds from its appropriation into the state  
15 education trust fund as established in RCW 28B.10.821 to provide a one-  
16 year renewal of the grant for each new recipient of the educational  
17 opportunity grant award.

18 (8) \$1,919,000 of the general fund--state appropriation for fiscal  
19 year 2004 and \$2,155,000 of the general fund--state appropriation for  
20 fiscal year 2005 are provided solely to implement the Washington  
21 scholars program. Any Washington scholars program moneys not awarded  
22 by April 1st of each year may be transferred by the board to the  
23 Washington award for vocational excellence.

24 (9) \$794,000 of the general fund--state appropriation for fiscal  
25 year 2004 and \$845,000 of the general fund--state appropriation for  
26 fiscal year 2005 are provided solely to implement Washington award for  
27 vocational excellence program. Any Washington award for vocational  
28 program moneys not awarded by April 1st of each year may be transferred  
29 by the board to the Washington scholars program.

30 (10) \$246,000 of the general fund--state appropriation for fiscal  
31 year 2004 and \$246,000 of the general fund--state appropriation for  
32 fiscal year 2005 are provided solely for community scholarship matching  
33 grants of \$2,000 each. To be eligible for the matching grant, a  
34 nonprofit community organization organized under section 501(c)(3) of  
35 the internal revenue code must demonstrate that it has raised \$2,000 in  
36 new moneys for college scholarships after the effective date of this  
37 act. An organization may receive more than one \$2,000 matching grant

1 and preference shall be given to organizations affiliated with the  
2 citizens' scholarship foundation.

3 (11) Subject to state need grant service requirements pursuant to  
4 chapter 28B.119 RCW, \$6,050,000 of the general fund--state  
5 appropriation for fiscal year 2004 and (~~(\$6,050,000)~~) \$10,393,000 of  
6 the general fund--state appropriation for fiscal year 2005 are provided  
7 solely for the Washington promise scholarship program. For fiscal year  
8 2005, the income eligibility for the graduating high school class of  
9 2004 shall not exceed one hundred twenty percent of the state median  
10 family income adjusted for family size. The income eligibility for the  
11 graduating high school class of 2003 shall be retained at one hundred  
12 thirty-five percent of the state median family income adjusted for  
13 family size.

14 (12) (~~(\$2,667,000)~~) \$2,678,000 of the general fund--state  
15 appropriation for fiscal year 2004 and (~~(\$2,768,000)~~) \$2,820,000 of the  
16 general fund--state appropriation for fiscal year 2005 are provided  
17 solely for financial aid administration, in addition to the four  
18 percent cost allowance provision for state work study under subsection  
19 (6) of this section. These funds are provided to administer all the  
20 financial aid and grant programs assigned to the board by the  
21 legislature and administered by the agency. To the extent the  
22 executive director finds the agency will not require the full sum  
23 provided in this subsection, a portion may be transferred to supplement  
24 financial grants-in-aid to eligible clients after notifying the board  
25 and the office of financial management of the intended transfer.

26 (13) \$539,000 of the general fund--state appropriation for fiscal  
27 year 2004 and \$540,000 of the general fund--state appropriation for  
28 fiscal year 2005 are provided solely for the displaced homemakers  
29 program.

(End of part)

PART VII  
SPECIAL APPROPRIATIONS

Sec. 701. 2003 1st sp.s. c 25 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**

General Fund--State Appropriation (FY 2004) . . . . . (~~(\$570,186,000)~~)  
\$655,886,000

General Fund--State Appropriation (FY 2005) . . . . . (~~(\$626,814,000)~~)  
\$528,766,000

Debt-Limit General Fund Bond Retirement Account--  
State Appropriation . . . . . (~~(\$10,000,000)~~)  
\$17,300,000

State Building Construction Account--State  
Appropriation . . . . . (~~(\$7,014,000)~~)  
\$8,922,000

Debt-Limit Reimbursable Bond Retirement Account--  
State Appropriation . . . . . \$2,587,000

State Taxable Building Construction Account--  
State Appropriation . . . . . (~~(\$322,000)~~)  
\$465,000

Gardner-Evans Higher Education Construction Account--  
State Appropriation . . . . . \$2,087,000

TOTAL APPROPRIATION . . . . . (~~(\$1,216,923,000)~~)  
\$1,216,013,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2003 1st sp.s. c 25 s 703 (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**



1	<b>REIMBURSED AS PRESCRIBED BY STATUTE</b>	
2	General Fund--State Appropriation (FY 2004) . . . . .	\$26,394,000
3	General Fund--State Appropriation (FY 2005) . . . . .	\$24,805,000
4	Capitol Historic District Construction	
5	Account--State Appropriation . . . . .	<del>(\$299,000)</del>
6		<u>\$323,000</u>
7	Higher Education Construction Account--State	
8	Appropriation . . . . .	\$238,000
9	State Vehicle Parking Account--State	
10	Appropriation . . . . .	\$102,000
11	Nondebt-Limit Reimbursable Bond Retirement Account--	
12	State Appropriation . . . . .	\$128,375,000
13	TOTAL APPROPRIATION . . . . .	<del>(\$180,213,000)</del>
14		<u>\$180,237,000</u>

15       The appropriations in this section are subject to the following  
16 conditions and limitations: The general fund appropriation is for  
17 deposit into the nondebt-limit general fund bond retirement account.

18       **Sec. 703.** 2003 1st sp.s. c 25 s 704 (uncodified) is amended to  
19 read as follows:

20 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**  
21 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

22	General Fund--State Appropriation (FY 2004) . . . . .	\$526,000
23	General Fund--State Appropriation (FY 2005) . . . . .	\$526,000
24	Higher Education Construction Account--State	
25	Appropriation . . . . .	\$35,000
26	State Building Construction Account--State	
27	Appropriation . . . . .	<del>(\$2,032,000)</del>
28		<u>\$2,083,000</u>
29	State Vehicle Parking Account--State	
30	Appropriation . . . . .	\$17,000
31	Capitol Historic District Construction	
32	Account--State Appropriation . . . . .	\$45,000
33	State Taxable Building Construction Account--	
34	State Appropriation . . . . .	<del>(\$50,000)</del>
35		<u>\$60,000</u>
36	<u>Gardner-Evans Higher Education Construction Account--</u>	
37	<u>State Appropriation . . . . .</u>	<u>\$180,000</u>

1	TOTAL APPROPRIATION . . . . .	(( <del>\$3,231,000</del> ))
2		<u>\$3,472,000</u>
3	<b>Sec. 704.</b> 2003 1st sp.s. c 25 s 709 (uncodified) is amended to	
4	read as follows:	
5	<b>FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS</b>	
6	General Fund--State Appropriation (FY 2004) . . . . .	(( <del>\$8,243,000</del> ))
7		<u>\$8,821,000</u>
8	General Fund--State Appropriation (FY 2005) . . . . .	(( <del>\$38,879,000</del> ))
9		<u>\$44,968,000</u>
10	Dedicated Funds and Accounts Appropriation . . . . .	(( <del>\$41,232,000</del> ))
11		<u>\$44,119,000</u>
12	TOTAL APPROPRIATION . . . . .	(( <del>\$88,354,000</del> ))
13		<u>\$97,908,000</u>

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

16 ~~(1) ((The appropriation from dedicated funds and accounts shall be  
17 made in the amounts specified and from the dedicated funds and accounts  
18 specified in LEAP document 2003-38, a computerized tabulation developed  
19 by the legislative evaluation and accountability program committee on  
20 June 2, 2003, which is hereby incorporated by reference. The office of  
21 financial management shall allocate the moneys appropriated in this  
22 section in the amounts specified and to the state agencies specified in  
23 LEAP document 2003-38, and adjust appropriation schedules accordingly.~~

24 ~~(2))~~(a) The monthly employer funding rate for insurance benefit  
25 premiums, public employees' benefits board administration, and the  
26 uniform medical plan, shall not exceed \$504.89 per eligible employee  
27 for fiscal year 2004, and ~~((~~\$592.30~~))~~ \$600.85 for fiscal year 2005.

28 (b) Within the rates in (a) of this subsection, \$4.13 per eligible  
29 employee shall be included in the employer funding rate for fiscal year  
30 2004, and \$2.11 per eligible employee shall be included in the employer  
31 funding rate for fiscal year 2005, solely to increase life insurance  
32 coverage in accordance with a court approved settlement in *Burbage et*  
33 *al. v. State of Washington* (Thurston county superior court cause no.  
34 94-2-02560-8).

35 (c) In order to achieve the level of funding provided for health  
36 benefits, the public employees' benefits board shall require any or all

1 of the following: Employee premium copayments, increases in point-of-  
2 service cost sharing, the implementation of managed competition, or  
3 make other changes to benefits consistent with RCW 41.05.065.

4 (d) The health care authority shall deposit any moneys received on  
5 behalf of the uniform medical plan as a result of rebates on  
6 prescription drugs, audits of hospitals, subrogation payments, or any  
7 other moneys recovered as a result of prior uniform medical plan claims  
8 payments, into the public employees' and retirees' insurance account to  
9 be used for insurance benefits. Such receipts shall not be used for  
10 administrative expenditures.

11 ~~((+3))~~ (2) The health care authority, subject to the approval of  
12 the public employees' benefits board, shall provide subsidies for  
13 health benefit premiums to eligible retired or disabled public  
14 employees and school district employees who are eligible for parts A  
15 and B of medicare, pursuant to RCW 41.05.085. From January 1, 2004,  
16 through December 31, 2004, the subsidy shall be \$102.35. Starting  
17 January 1, 2005, the subsidy shall be \$116.19 per month.

18 ~~((+4))~~ (3) Technical colleges, school districts, and educational  
19 service districts shall remit to the health care authority for deposit  
20 into the public employees' and retirees' insurance account established  
21 in RCW 41.05.120 the following amounts:

22 (a) For each full-time employee, \$42.76 per month beginning  
23 September 1, 2003, and \$49.14 beginning September 1, 2004;

24 (b) For each part-time employee who, at the time of the remittance,  
25 is employed in an eligible position as defined in RCW 41.32.010 or  
26 41.40.010 and is eligible for employer fringe benefit contributions for  
27 basic benefits, \$42.76 each month beginning September 1, 2003, and  
28 \$49.14 beginning September 1, 2004, prorated by the proportion of  
29 employer fringe benefit contributions for a full-time employee that the  
30 part-time employee receives.

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

35 ~~((+5))~~ (4) The appropriations in this section include amounts  
36 sufficient to fund health benefits for ferry workers at the premium  
37 levels specified in subsection (2) of this section, consistent with the  
38 2003-2005 transportation appropriations act.

1 NEW SECTION. **Sec. 705.** A new section is added to 2003 1st sp.s.  
2 c 25 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT**  
4 **SYSTEMS**

5	General Fund--State Appropriation (FY 2005) . . . . .	\$150,000
6	General Fund--Federal Appropriation . . . . .	\$25,000
7	General Fund--Private/Local Appropriation . . . . .	\$3,000
8	Special Account Retirement Contribution Increase Revolving	
9	Account Appropriation . . . . .	\$100,000
10	TOTAL APPROPRIATION . . . . .	\$278,000

11 The appropriations in this section are subject to the following  
12 conditions and limitations: The appropriations in this section are  
13 provided solely to increase agency and institution appropriations to  
14 reflect a 0.01 percent increase in employer pension contributions to  
15 the public employees' retirement system and the teachers' retirement  
16 system required to implement House Bill No. 2538 (\$1000 minimum  
17 benefit).

18 **Sec. 706.** 2003 1st sp.s. c 25 s 712 (uncodified) is amended to  
19 read as follows:

20 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY**  
21 **REVOLVING ACCOUNT**

22	General Fund--State Appropriation (FY 2004) . . . . .	\$10,468,000
23	General Fund--State Appropriation (FY 2005) . . . . .	<del>(\$10,468,000)</del>
24		<u>\$9,314,000</u>
25	TOTAL APPROPRIATION . . . . .	<del>(\$20,936,000)</del>
26		<u>\$19,782,000</u>

27 The appropriations in this section are subject to the following  
28 conditions and limitations: The appropriation in this section is for  
29 appropriation to the education technology revolving account for the  
30 purpose of covering operational and transport costs incurred by the K-  
31 20 educational network program in providing telecommunication services  
32 to network participants.

33 **Sec. 707.** 2003 1st sp.s. c 25 s 715 (uncodified) is amended to  
34 read as follows:

35 **INCREASED FEDERAL ASSISTANCE.** (1) If the department of social and  
36 health services or the department of veterans affairs receives federal

1 funding to enhance the federal medical assistance percentage for the  
2 2001-2003 (~~or 2003-2005 fiscal biennia~~) biennium as a result of the  
3 jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27),  
4 the moneys shall be expended as an unanticipated receipt under RCW  
5 43.79.270 and 43.79.280, subject to the following conditions and  
6 limitations:

7 (a) The moneys shall be expended in the manner required by the  
8 federal act;

9 (b) The federal moneys shall be expended in a manner that will  
10 maximize the conservation of state moneys, which shall be placed in  
11 reserve status and remain unexpended; and

12 (c) The director of financial management shall notify the  
13 appropriate legislative fiscal committees of proposed allotment  
14 modifications prior to expenditure of the federal moneys.

15 (2) If the state receives federal funding for the 2001-2003 (~~or~~  
16 ~~2003-2005 fiscal biennia~~) biennium as a result of the jobs and growth  
17 tax relief reconciliation act of 2003 (P.L. 108-27) in addition to the  
18 funding described in subsection (1) of this section, the moneys may be  
19 expended as an unanticipated receipt under RCW 43.79.270 and 43.79.280,  
20 subject to the following conditions and limitations:

21 (a) The moneys shall be expended in the manner required by the  
22 federal act;

23 (b) The federal moneys shall be expended for necessary state  
24 services and in a manner that will maximize the conservation of state  
25 moneys, which shall be placed in reserve status and remain unexpended;  
26 and

27 (c) The director of financial management shall notify the  
28 appropriate legislative fiscal committees of proposed allotment  
29 modifications prior to expenditure of the federal moneys.

30 **Sec. 708.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to  
31 read as follows:

32 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

33 <u>General Fund--State Appropriation (FY 2005)</u> . . . . .	(\$10,638,000)
34 <u>Dedicated Funds and Accounts Appropriation</u> . . . . .	(\$4,317,000)
35 <u>TOTAL APPROPRIATION</u> . . . . .	(\$14,955,000)

36 The appropriations in this section are subject to the following  
37 conditions and limitations: The office of financial management shall

1 (~~reduce allotments for all agencies by \$10,638,000 from 2003-05~~  
2 ~~biennial general fund appropriations in this act~~) update agency  
3 appropriation schedules to reflect the reduction in contributions to  
4 the liability account(~~(. The general fund allotment reduction shall be~~  
5 ~~placed in unallotted status and remain unexpended)~~) as identified by  
6 agency and account in LEAP Document 2004-05 dated February 21, 2004,  
7 which is hereby incorporated by reference.

8 **Sec. 709.** 2003 1st sp.s. c 25 s 723 (uncodified) is amended to  
9 read as follows:

10 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may  
11 be necessary, are appropriated from the general fund, unless otherwise  
12 indicated, for relief of various individuals, firms, and corporations  
13 for sundry claims. These appropriations are to be disbursed on  
14 vouchers approved by the director of (~~general administration~~) the  
15 office of financial management, except as otherwise provided, as  
16 follows:

17 (1) Reimbursement of criminal defendants acquitted on the basis of  
18 self-defense, pursuant to RCW 9A.16.110:

- 19 (a) Kelly C. Schwartz, claim number SCJ 03-10 . . . . . \$18,250
- 20 (b) Clinton Johnston, claim number SCJ 04-02 . . . . . \$8,225
- 21 (c) Johnny Riley, claim number SCJ 04-05 . . . . . \$1,500
- 22 (d) Gregory Nichols, claim number SCJ 04-06 . . . . . \$3,995
- 23 (e) William Poll, claim number SCJ 04-07 . . . . . \$31,106
- 24 (f) John Obert, claim number SCJ 04-09 . . . . . \$15,957

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

- 27 (a) Circle S Landscape Supplies, claim number
- 28 SCG 03-05 . . . . . \$49,380
- 29 (b) Marilyn Lund Farms, claim number SCG 03-08 . . . . . \$17,175
- 30 (c) Paul Gibbons, claim number SCG 03-09 . . . . . \$12,414
- 31 (d) Bud Hamilton, claim number SCG 03-10 . . . . . \$15,591
- 32 (e) Richard Anderson, claim number SCG 03-11 . . . . . \$75,933
- 33 (f) Neil Ice, claim number SCG 03-12 . . . . . \$73,474
- 34 (g) Carl Anderson, claim number SCG 03-13 . . . . . \$120,943
- 35 (h) Lafe Wilson, claim number SCG 04-02 . . . . . \$626
- 36 (i) Richard Anderson, claim number SCG 04-04 . . . . . \$28,998



1 **COSTS**

2 General Fund--State Appropriation (FY 2004) . . . . . \$2,911,000

3 The appropriation in this section is subject to the following  
4 conditions and limitations: The director of financial management shall  
5 distribute the appropriation to the following counties in the amounts  
6 designated for extraordinary criminal justice costs:

7 King . . . . . \$2,743,000

8 Pacific . . . . . \$168,000

9 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.  
10 c 25 (uncodified) to read as follows:

11 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**  
12 **COUNTY ASSISTANCE**

13 General Fund--State Appropriation (FY 2005) . . . . . \$3,000,000

14 The appropriation in this section is subject to the following  
15 conditions and limitations: The appropriation is provided solely for  
16 deposit in the county assistance account, and the department shall  
17 distribute the funding to counties in accordance with the provisions of  
18 Substitute House Bill No. 3175 (financial assistance/county).

19 NEW SECTION. **Sec. 715.** A new section is added to 2003 1st sp.s.  
20 c 25 (uncodified) to read as follows:

21 **FOR THE OFFICE OF THE GOVERNOR--JOINT TASK FORCE ON MENTAL HEALTH**

22 General Fund--State Appropriation (FY 2005) . . . . . \$50,000

23 General Fund--Federal Appropriation . . . . . \$30,000

24 TOTAL APPROPRIATION . . . . . \$80,000

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

27 (1) The appropriations are provided solely for a joint legislative  
28 and executive task force on mental health services delivery and  
29 financing. The joint task force shall consist of eight members, as  
30 follows: The secretary of the department of social and health services  
31 or his or her designee; the president of the Washington state  
32 association of counties or his or her designee; a representative from  
33 the governor's office; two members of the senate appointed by the  
34 president of the senate, one of whom shall be a member of the majority  
35 caucus and one of whom shall be a member of the minority caucus; two



1 members of the house of representatives appointed by the speaker of the  
2 house of representatives, one of whom shall be a member of the majority  
3 caucus and one of whom shall be a member of the minority caucus; and  
4 the chair of the joint legislative audit and review committee. Staff  
5 support for the joint task force is provided by the office of financial  
6 management, the house of representatives office of program research,  
7 and senate committee services.

8 (2) The joint task force may create advisory committees to assist  
9 the joint task force in its work.

10 (3) Joint task force members may be reimbursed for travel expenses  
11 as authorized under RCW 43.03.050-060 and chapter 44.04 RCW, as  
12 appropriate. Advisory committee members, if appointed, shall not  
13 receive compensation or reimbursement for travel or expenses.

14 (4) The joint task force shall assess and make recommendations  
15 related to:

16 (a) Progress made by the department of social and health services  
17 and the regional support networks (i) towards implementation of a  
18 performance-based measurement system that focuses on outcomes for  
19 consumers served by the mental health system, and (ii) to reduce  
20 duplicative and burdensome administrative and oversight requirements;

21 (b) The funding requirements for mental health services for  
22 nonmedicaid consumers for the priority populations under chapter 71.24  
23 RCW;

24 (c) The extent to which the current funding distribution  
25 methodology achieves equity in funding and access to services for  
26 mental health services consumers;

27 (d) The administrative structure of the community mental health  
28 system as it relates to effectively meeting the goals established in  
29 statute;

30 (e) The most effective and efficient mental health funding and  
31 payment models (including capitated managed care), in light of  
32 requirements of the federal balanced budget act of 1997 related to  
33 state medicaid managed care contracting; and

34 (f) The types, numbers, and locations of inpatient psychiatric  
35 hospital and community residential beds in both the private and public  
36 sector.

37 (5) The joint task force shall report its initial findings and

1 recommendations to the governor and appropriate committees of the  
2 legislature by January 1, 2005, and its final findings and  
3 recommendations by June 30, 2005.

4 NEW SECTION. **Sec. 716.** A new section is added to 2003 1st sp.s.  
5 c 25 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--SEX OFFENDER SENTENCING**  
7 General Fund--State Appropriation (FY 2005) . . . . . \$2,000,000

8 The appropriation in this section is subject to the following  
9 conditions and limitations: The funding is provided to implement  
10 proposed legislation revising criminal penalties for sex offenders. If  
11 the legislation is not enacted by June 30, 2004, the amount provided in  
12 this section shall lapse.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2003 1st sp.s. c 25 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions . . . . . ((~~\$4,711,500~~)) \$5,344,000

General Fund Appropriation for public utility district excise tax distributions . . . . . ((~~\$39,273,684~~)) \$40,012,876

General Fund Appropriation for prosecuting attorney distributions . . . . . ((~~\$3,441,197~~)) \$3,671,015

General Fund Appropriation for boating safety and education distributions . . . . . ((~~\$4,074,300~~)) \$4,147,426

General Fund Appropriation for other tax distributions . . . . . \$34,750

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies . . . . . \$2,123,723

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution . . . . . \$187,068

Timber Tax Distribution Account Appropriation for distribution to "timber" counties . . . . . \$51,192,170

County Criminal Justice Assistance Appropriation . . . . . ((~~\$52,131,000~~)) \$53,130,820

Municipal Criminal Justice Assistance Appropriation . . . . . ((~~\$21,069,000~~)) \$21,069,120

Liquor Excise Tax Account Appropriation for liquor excise tax distribution . . . . . \$32,624,831

Liquor Revolving Account Appropriation for

1	liquor profits distribution . . . . .	(( <del>\$57,511,693</del> ))
2		<u>\$57,369,693</u>
3	TOTAL APPROPRIATION . . . . .	(( <del>\$268,374,916</del> ))
4		<u>\$270,907,492</u>

5 The total expenditures from the state treasury under the  
6 appropriations in this section shall not exceed the funds available  
7 under statutory distributions for the stated purposes.

8 **Sec. 802.** 2003 1st sp.s. c 25 s 805 (uncodified) is amended to  
9 read as follows:

10 **FOR THE STATE TREASURER--TRANSFERS.** For transfers in this section  
11 to the state general fund, pursuant to RCW 43.135.035(5), the state  
12 expenditure limit shall be increased by the amount of the transfer.  
13 The increase shall occur in the fiscal year in which the transfer  
14 occurs.

15	State Convention and Trade Center Account:	
16	For transfer to the state general fund . . . . .	\$10,000,000
17	County Sale/Use Tax Equalization Account:	
18	For transfer to the state general fund for	
19	fiscal year 2004 . . . . .	\$74,000
20	Financial Services Regulation Fund: For transfer	
21	to the state general fund at the beginning	
22	of fiscal year 2005 . . . . .	(( <del>\$1,632,000</del> ))
23		<u>\$7,285,000</u>
24	Municipal Sale/Use Tax Equalization Account:	
25	For transfer to the state general fund for	
26	fiscal year 2004 . . . . .	\$374,000
27	Asbestos Account: For transfer to the state	
28	general fund . . . . .	\$200,000
29	Electrical License Account: For transfer	
30	to the state general fund . . . . .	\$7,000,000
31	Local Toxics Control Account: For transfer	
32	to the state toxics control account . . . . .	\$4,059,000
33	Pressure Systems Safety Account: For transfer	
34	to the state general fund . . . . .	\$1,000,000
35	Health Services Account: For transfer	
36	to the water quality account . . . . .	\$8,182,000
37	State Treasurer's Service Account: For	

1	transfer to the general fund . . . . .	(( <del>\$10,000,000</del> ))
2		<u>\$13,000,000</u>
3	Public Works Assistance Account: For	
4	transfer to the drinking water	
5	assistance account . . . . .	\$8,387,000
6	Tobacco Settlement Account: For transfer	
7	to the health services account, in an	
8	amount not to exceed the actual balance	
9	of the tobacco settlement account . . . . .	(( <del>\$185,000,000</del> ))
10		<u>\$180,540,000</u>
11	Health Service Account: For transfer	
12	to the violence reduction and drug	
13	enforcement account . . . . .	\$7,789,000
14	Nisqually Earthquake Account: For transfer to	
15	the disaster response account . . . . .	\$6,200,000
16	Industrial Insurance Premium Refund Account:	
17	For transfer to the state general fund . . . . .	\$577,000
18	Public Service Revolving Account: For transfer	
19	to the state general fund . . . . .	\$1,600,000
20	State Forest Nursery Revolving Account: For transfer	
21	to the state general fund, \$250,000 for fiscal	
22	year 2004 and \$250,000 for fiscal year 2005 . . . . .	\$500,000
23	Flood Control Assistance Account: For transfer	
24	to the state general fund, \$1,350,000 for	
25	fiscal year 2004 and \$1,350,000 for fiscal	
26	year 2005 . . . . .	\$2,700,000
27	Water Quality Account: For transfer to the water	
28	pollution control account . . . . .	(( <del>\$10,500,000</del> ))
29		<u>\$14,034,513</u>
30	General Fund: For transfer to the water quality	
31	account, \$3,870,000 for fiscal year 2004 and	
32	\$4,557,000 for fiscal year 2005 . . . . .	\$8,427,000
33	Insurance Commissioner's Regulatory Account:	
34	For transfer to the state general fund . . . . .	(( <del>\$1,500,000</del> ))
35		<u>\$2,500,000</u>
36	Health Services Account: For transfer to the	
37	tobacco prevention and control account . . . . .	(( <del>\$24,216,000</del> ))
38		<u>\$23,795,000</u>

1 From the Emergency Reserve Fund: For transfer  
2 to the state general fund, not to exceed  
3 the actual balance of the emergency reserve fund.  
4 This transfer is intended to liquidate the  
5 emergency reserve fund . . . . . (~~(\$59,350,000)~~)  
6 \$58,100,000  
7 Department of Retirement Systems Expense Account:  
8 For transfer to the state general fund . . . . . (~~(\$1,500,000)~~)  
9 \$3,500,000  
10 Woodstove Education and Enforcement Account:  
11 For transfer to the air pollution control account . . . . \$600,000  
12 Multimodal Transportation Account: For transfer  
13 to the air pollution control account for  
14 fiscal year 2004. The amount transferred  
15 shall be deposited into the segregated  
16 subaccount of the air pollution control  
17 account created in Engrossed Substitute  
18 Senate Bill No. 6072, chapter 264, Laws of  
19 2003. The state treasurer shall perform the  
20 transfer from the multimodal transportation  
21 account to the air pollution control subaccount  
22 on a quarterly basis . . . . . \$4,170,726  
23 Multimodal Transportation Account: For transfer  
24 to the vessel response account for fiscal  
25 year 2004 . . . . . \$1,213,704  
26 Resource Management Cost Account: For transfer  
27 to the contract harvesting revolving account . . . . . \$250,000  
28 Forest Development Account: For transfer to the  
29 contract harvesting revolving account . . . . . \$250,000  
30 Site Closure Account: For transfer to the  
31 state general fund . . . . . \$13,800,000  
32 Health Services Account: For transfer to the  
33 general fund--state for fiscal year 2005 . . . . . (~~(\$1,250,000)~~)  
34 \$27,753,000  
35 K-20 Technology Account: For transfer to the state  
36 general fund . . . . . \$1,281  
37 Motor Vehicle Fund: For transfer  
38 to the Public Safety and Education Account . . . . . \$831,000

1	<u>Gambling Revolving Fund, Nontribal Sources:</u>	
2	<u>For transfer to the state general fund . . . . .</u>	<u>\$2,500,000</u>
3	<u>State Building Construction Account: For transfer</u>	
4	<u>to the conservation assistance revolving account . . . . .</u>	<u>\$500,000</u>
5	<u>Education Technology Revolving Fund: For transfer</u>	
6	<u>to the data processing revolving account . . . . .</u>	<u>\$346,000</u>
7	<u>Digital Government Revolving Account: For transfer</u>	
8	<u>to the data processing revolving account . . . . .</u>	<u>\$154,000</u>
9	<u>Gambling Revolving Fund: For transfer to the Problem</u>	
10	<u>Gambling Treatment Account. If Second Substitute</u>	
11	<u>House Bill No. 2776 is not enacted by June 30,</u>	
12	<u>2004, this transfer is null and void . . . . .</u>	<u>\$500,000</u>

13       **Sec. 803.** 2003 1st sp.s. c 25 s 806 (uncodified) is amended to  
14 read as follows:

15 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS**

16	General Fund--State Appropriation: For	
17	transfer to the department of retirement	
18	systems expense account: For the	
19	administrative expenses of the judicial	
20	retirement system . . . . .	<del>(( \$21,901 ))</del>
21		<u>\$12,000</u>

(End of part)

**PART IX**  
**MISCELLANEOUS**

1  
2  
3     NEW SECTION.   **Sec. 901.**   A new section is added to 2003 1st sp.s.  
4   c 25 (uncodified) to read as follows:

5     **FUND BALANCE TRANSFER.**   At the end of fiscal year 2004, the office  
6   of financial management shall transfer to the general fund-state fund  
7   balance the unspent federal fiscal relief grant moneys received as a  
8   result of P.L. 108-27 (federal jobs and growth tax relief  
9   reconciliation act of 2003). Pursuant to RCW 43.135.035(5), the state  
10  expenditure limit shall be increased by the amount of the transfer.

11    NEW SECTION.   **Sec. 902.**   A new section is added to 2003 1st sp.s.  
12  c 25 (uncodified) to read as follows:

13    **AGENCY EXPENDITURES FOR MOTOR VEHICLES.**   The use of hybrid motor  
14  vehicles reduces air contaminants, greenhouse gas emissions and  
15  reliance on imported sources of petroleum. To foster the use of hybrid  
16  motor vehicles, beginning July 1, 2004, before the purchase or lease of  
17  a motor vehicle, state agencies should first consider the feasibility  
18  of hybrid motor vehicles. State agencies should strive to purchase or  
19  lease a hybrid motor vehicle when the use of such vehicle is consistent  
20  with and can accomplish the agency's mission and when the purchase is  
21  financially reasonable. The financial assessment should include  
22  savings accruing from reduced fuel purchases over the life of the  
23  vehicle. Agencies shall report on their purchases of hybrid vehicles  
24  in their biennial sustainability plans as required under executive  
25  order 02-03.

26    **Sec. 903.**   RCW 9.46.100 and 2002 c 371 s 901 are each amended to  
27  read as follows:

28    There is hereby created the gambling revolving fund which shall  
29  consist of all moneys receivable for licensing, penalties, forfeitures,  
30  and all other moneys, income, or revenue received by the commission.  
31  The state treasurer shall be custodian of the fund. All moneys  
32  received by the commission or any employee thereof, except for change  
33  funds and an amount of petty cash as fixed by rule or regulation of the  
34  commission, shall be deposited each day in a depository approved by the



1 state treasurer and transferred to the state treasurer to be credited  
2 to the gambling revolving fund. Disbursements from the revolving fund  
3 shall be on authorization of the commission or a duly authorized  
4 representative thereof. In order to maintain an effective expenditure  
5 and revenue control the gambling revolving fund shall be subject in all  
6 respects to chapter 43.88 RCW but no appropriation shall be required to  
7 permit expenditures and payment of obligations from such fund. All  
8 expenses relative to commission business, including but not limited to  
9 salaries and expenses of the director and other commission employees  
10 shall be paid from the gambling revolving fund.

11 During the ~~((2001-))~~2003-2005 fiscal biennium, the legislature may  
12 transfer from the gambling revolving fund to the problem gambling  
13 treatment account. Also during the 2003-2005 fiscal biennium, the  
14 legislature may transfer from the gambling revolving fund to the state  
15 general fund such amounts as reflect the excess nontribal fund balance  
16 of the fund ~~((and reductions made by the 2002 supplemental~~  
17 ~~appropriations act for administrative efficiencies and savings)).~~

18 **Sec. 904.** RCW 28A.160.195 and 1995 1st sp.s. c 10 s 1 are each  
19 amended to read as follows:

20 (1) The superintendent of public instruction, in consultation with  
21 the regional transportation coordinators of the educational service  
22 districts, shall establish a minimum number of school bus categories  
23 considering the capacity and type of vehicles required by school  
24 districts in Washington. The superintendent, in consultation with the  
25 regional transportation coordinators of the educational service  
26 districts, shall establish competitive specifications for each category  
27 of school bus. The categories shall be developed to produce minimum  
28 long-range operating costs, including costs of equipment and all costs  
29 in operating the vehicles. The categories, for purposes of comparative  
30 studies, will be at a minimum the same as those in the beginning of the  
31 1994-95 school year. The competitive specifications shall meet federal  
32 motor vehicle safety standards, minimum state specifications as  
33 established by rule by the superintendent, and supported options as  
34 determined by the superintendent in consultation with the regional  
35 transportation coordinators of the educational service districts. In  
36 fiscal year 2005, the superintendent may solicit and accept price

1 quotes for a rear-engine category school bus that shall be reimbursed  
2 at the price of the corresponding front engine category.

3 (2) After establishing school bus categories and competitive  
4 specifications, the superintendent of public instruction shall solicit  
5 competitive price quotes from school bus dealers to be in effect for  
6 one year and shall (a) except in fiscal year 2005, establish a list of  
7 the lowest competitive price quotes obtained under this subsection, and  
8 (b) in fiscal year 2005, establish a list of all accepted price quotes  
9 in each category obtained under this subsection.

10 (3) The superintendent shall base the level of reimbursement to  
11 school districts and educational service districts for school buses on  
12 the lowest quote in each category.

13 (4) Notwithstanding RCW 28A.335.190, school districts and  
14 educational service districts may purchase at the quoted price directly  
15 from the dealer who is providing the lowest competitive price quote on  
16 the list established under subsection (2) of this section and in fiscal  
17 year 2005 from any dealer on the list established under subsection  
18 (2)(b) of this section. School districts and educational service  
19 districts may make their own selections for school buses, but shall be  
20 reimbursed at the rates determined under (~~this section~~) subsection  
21 (3) of this section and RCW 28A.160.200. District-selected options  
22 shall not be reimbursed by the state. For the 2003-05 fiscal biennium,  
23 school districts and educational service districts shall be reimbursed  
24 for buses purchased only through a lowest-price competitive bid process  
25 conducted pursuant to RCW 28A.335.190 or through the state bid process  
26 established by this section.

27 (5) This section does not prohibit school districts or educational  
28 service districts from conducting their own competitive bid process.

29 (6) The superintendent of public instruction may adopt rules under  
30 chapter 34.05 RCW to implement this section.

31 **Sec. 905.** RCW 28A.650.035 and 1993 c 336 s 708 are each amended to  
32 read as follows:

33 (1) The superintendent of public instruction may receive such  
34 gifts, grants, and endowments from public or private sources as may be  
35 made from time to time, in trust or otherwise, for the use and benefit  
36 of the purposes of educational technology and expend the same or any

1 income therefrom according to the terms of the gifts, grants, or  
2 endowments.

3 (2) The education technology account is hereby established in the  
4 custody of the state treasurer. The superintendent of public  
5 instruction shall deposit in the account all moneys received from  
6 gifts, grants, or endowments for education technology. Moneys in the  
7 account may be spent only for education technology. Disbursements from  
8 the account shall be on authorization of the superintendent of public  
9 instruction or the superintendent's designee. The account is subject  
10 to the allotment procedure provided under chapter 43.88 RCW, but no  
11 appropriation is required for disbursements.

12 (3) During the 2003-2005 biennium, the legislature may transfer  
13 moneys from the education technology account to the data processing  
14 revolving fund such amounts as reflect the excess fund balance of the  
15 account.

16 **Sec. 906.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to  
17 read as follows:

18 The higher education coordinating board shall establish a planning  
19 committee to develop criteria for the screening and selection of  
20 recipients of the conditional scholarships. These criteria shall  
21 emphasize factors demonstrating excellence including but not limited to  
22 superior scholastic achievement, leadership ability, community  
23 contributions, and an ability to act as a role model for targeted  
24 ethnic minority students. These criteria also may include, for  
25 approximately half of the recipients, requirements that those  
26 recipients meet the definition of "needy student" under RCW 28B.10.802.

27 Subject to enactment of chapter . . . , Laws of 2004 (SHB 2708), for  
28 fiscal year 2005, additional priority shall be given to such  
29 individuals who are also bilingual. It is the intent of the  
30 legislature to develop a pool of dual-language teachers in order to  
31 meet the challenge of educating students who are dominant in languages  
32 other than English.

33 **Sec. 907.** RCW 28B.119.010 and 2003 c 233 s 5 are each amended to  
34 read as follows:

35 The higher education coordinating board shall design the Washington  
36 promise scholarship program based on the following parameters:

1 (1) Scholarships shall be awarded to students graduating from  
2 public and approved private high schools under chapter 28A.195 RCW,  
3 students participating in home-based instruction as provided in chapter  
4 28A.200 RCW, and persons twenty-one years of age or younger receiving  
5 a GED certificate, who meet both an academic and a financial  
6 eligibility criteria.

7 (a) Academic eligibility criteria shall be defined as follows:

8 (i) Beginning with the graduating class of 2002, students  
9 graduating from public and approved private high schools under chapter  
10 28A.195 RCW must be in the top fifteen percent of their graduating  
11 class, as identified by each respective high school at the completion  
12 of the first term of the student's senior year; or

13 (ii) Students graduating from public high schools, approved private  
14 high schools under chapter 28A.195 RCW, students participating in home-  
15 based instruction as provided in chapter 28A.200 RCW, and persons  
16 twenty-one years of age or younger receiving a GED certificate, must  
17 equal or exceed a cumulative scholastic assessment test I score of  
18 twelve hundred on their first attempt or must equal or exceed a  
19 composite American college test score of twenty-seven on their first  
20 attempt.

21 (b) To meet the financial eligibility criteria, a student's family  
22 income shall not exceed one hundred thirty-five percent of the state  
23 median family income adjusted for family size, as determined by the  
24 higher education coordinating board for each graduating class.  
25 Students not meeting the eligibility requirements for the first year of  
26 scholarship benefits may reapply for the second year of benefits, but  
27 must still meet the income standard set by the board for the student's  
28 graduating class. Beginning with the graduating class of 2004, a  
29 student's family income shall not exceed one hundred twenty percent of  
30 the state median family income adjusted for family size, as determined  
31 by the higher education coordinating board.

32 (2) Promise scholarships are not intended to supplant any grant,  
33 scholarship, or tax program related to postsecondary education. If the  
34 board finds that promise scholarships supplant or reduce any grant,  
35 scholarship, or tax program for categories of students, then the board  
36 shall adjust the financial eligibility criteria or the amount of  
37 scholarship to the level necessary to avoid supplanting.

1 (3) Within available funds, each qualifying student shall receive  
2 two consecutive annual awards, the value of each not to exceed the  
3 full-time annual resident tuition rates charged by Washington's  
4 community colleges. The higher education coordinating board shall  
5 award scholarships to as many students as possible from among those  
6 qualifying under this section.

7 (4) By October 15th of each year, the board shall determine the  
8 award amount of the scholarships, after taking into consideration the  
9 availability of funds.

10 (5) The scholarships may only be used for undergraduate coursework  
11 at accredited institutions of higher education in the state of  
12 Washington.

13 (6) The scholarships may be used for undergraduate coursework at  
14 Oregon institutions of higher education that are part of the border  
15 county higher education opportunity project in RCW 28B.80.806 when  
16 those institutions offer programs not available at accredited  
17 institutions of higher education in Washington state.

18 (7) The scholarships may be used for college-related expenses,  
19 including but not limited to, tuition, room and board, books, and  
20 materials.

21 (8) The scholarships may not be awarded to any student who is  
22 pursuing a degree in theology.

23 (9) The higher education coordinating board may establish  
24 satisfactory progress standards for the continued receipt of the  
25 promise scholarship.

26 (10) The higher education coordinating board shall establish the  
27 time frame within which the student must use the scholarship.

28 **Sec. 908.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended  
29 to read as follows:

30 (1) The proceeds from the sale of the bonds authorized herein shall  
31 be deposited in the state building construction account which is hereby  
32 established in the state treasury and shall be used exclusively for the  
33 purposes of carrying out the provisions of the capital appropriation  
34 acts, and for payment of the expense incurred in the printing,  
35 issuance, and sale of such bonds.

36 (2) During the 2003-2005 biennium, the legislature may transfer

1 moneys from the state building construction account to the conservation  
2 assistance revolving account such amounts as reflect the excess fund  
3 balance of the account.

4 **Sec. 909.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to  
5 read as follows:

6 (1) The director of financial management shall provide all agencies  
7 with a complete set of instructions for submitting biennial budget  
8 requests to the director at least three months before agency budget  
9 documents are due into the office of financial management. The  
10 director shall provide agencies and committees that are required under  
11 RCW 44.40.070 to develop comprehensive six-year program and financial  
12 plans with a complete set of instructions for submitting these program  
13 and financial plans at the same time that instructions for submitting  
14 other budget requests are provided. The budget document or documents  
15 shall consist of the governor's budget message which shall be  
16 explanatory of the budget and shall contain an outline of the proposed  
17 financial policies of the state for the ensuing fiscal period, as well  
18 as an outline of the proposed six-year financial policies where  
19 applicable, and shall describe in connection therewith the important  
20 features of the budget. The message shall set forth the reasons for  
21 salient changes from the previous fiscal period in expenditure and  
22 revenue items and shall explain any major changes in financial policy.  
23 Attached to the budget message shall be such supporting schedules,  
24 exhibits and other explanatory material in respect to both current  
25 operations and capital improvements as the governor shall deem to be  
26 useful to the legislature. The budget document or documents shall set  
27 forth a proposal for expenditures in the ensuing fiscal period, or six-  
28 year period where applicable, based upon the estimated revenues and  
29 caseloads as approved by the economic and revenue forecast council and  
30 caseload forecast council or upon the estimated revenues and caseloads  
31 of the office of financial management for those funds, accounts,  
32 sources, and programs for which the forecast councils do not prepare an  
33 official forecast, including those revenues anticipated to support the  
34 six-year programs and financial plans under RCW 44.40.070. In  
35 estimating revenues to support financial plans under RCW 44.40.070, the  
36 office of financial management shall rely on information and advice  
37 from the transportation revenue forecast council. Revenues shall be

1 estimated for such fiscal period from the source and at the rates  
2 existing by law at the time of submission of the budget document,  
3 including the supplemental budgets submitted in the even-numbered years  
4 of a biennium. However, the estimated revenues and caseloads for use  
5 in the governor's budget document may be adjusted to reflect budgetary  
6 revenue transfers and revenue and caseload estimates dependent upon  
7 budgetary assumptions of enrollments, workloads, and caseloads. All  
8 adjustments to the approved estimated revenues and caseloads must be  
9 set forth in the budget document. The governor may additionally  
10 submit, as an appendix to each supplemental, biennial, or six-year  
11 agency budget or to the budget document or documents, a proposal for  
12 expenditures in the ensuing fiscal period from revenue sources derived  
13 from proposed changes in existing statutes.

14 Supplemental and biennial documents shall reflect a six-year  
15 expenditure plan consistent with estimated revenues from existing  
16 sources and at existing rates for those agencies required to submit  
17 six-year program and financial plans under RCW 44.40.070. Any  
18 additional revenue resulting from proposed changes to existing statutes  
19 shall be separately identified within the document as well as related  
20 expenditures for the six-year period.

21 The budget document or documents shall also contain:

22 (a) Revenues classified by fund and source for the immediately past  
23 fiscal period, those received or anticipated for the current fiscal  
24 period, those anticipated for the ensuing biennium, and those  
25 anticipated for the ensuing six-year period to support the six-year  
26 programs and financial plans required under RCW 44.40.070;

27 (b) The undesignated fund balance or deficit, by fund;

28 (c) Such additional information dealing with expenditures,  
29 revenues, workload, performance, and personnel as the legislature may  
30 direct by law or concurrent resolution;

31 (d) Such additional information dealing with revenues and  
32 expenditures as the governor shall deem pertinent and useful to the  
33 legislature;

34 (e) Tabulations showing expenditures classified by fund, function,  
35 activity, and agency. However, documents submitted for the ((2003-05))  
36 2005-07 biennial budget request need not show expenditures by activity;

37 (f) A delineation of each agency's activities, including those

1 activities funded from nonbudgeted, nonappropriated sources, including  
2 funds maintained outside the state treasury;

3 (g) Identification of all proposed direct expenditures to implement  
4 the Puget Sound water quality plan under chapter 90.71 RCW, shown by  
5 agency and in total; and

6 (h) Tabulations showing each postretirement adjustment by  
7 retirement system established after fiscal year 1991, to include, but  
8 not be limited to, estimated total payments made to the end of the  
9 previous biennial period, estimated payments for the present biennium,  
10 and estimated payments for the ensuing biennium.

11 (2) The budget document or documents shall include detailed  
12 estimates of all anticipated revenues applicable to proposed operating  
13 or capital expenditures and shall also include all proposed operating  
14 or capital expenditures. The total of beginning undesignated fund  
15 balance and estimated revenues less working capital and other reserves  
16 shall equal or exceed the total of proposed applicable expenditures.  
17 The budget document or documents shall further include:

18 (a) Interest, amortization and redemption charges on the state  
19 debt;

20 (b) Payments of all reliefs, judgments, and claims;

21 (c) Other statutory expenditures;

22 (d) Expenditures incident to the operation for each agency;

23 (e) Revenues derived from agency operations;

24 (f) Expenditures and revenues shall be given in comparative form  
25 showing those incurred or received for the immediately past fiscal  
26 period and those anticipated for the current biennium and next ensuing  
27 biennium, as well as those required to support the six-year programs  
28 and financial plans required under RCW 44.40.070;

29 (g) A showing and explanation of amounts of general fund and other  
30 funds obligations for debt service and any transfers of moneys that  
31 otherwise would have been available for appropriation;

32 (h) Common school expenditures on a fiscal-year basis;

33 (i) A showing, by agency, of the value and purpose of financing  
34 contracts for the lease/purchase or acquisition of personal or real  
35 property for the current and ensuing fiscal periods; and

36 (j) A showing and explanation of anticipated amounts of general  
37 fund and other funds required to amortize the unfunded actuarial



1 accrued liability of the retirement system specified under chapter  
2 41.45 RCW, and the contributions to meet such amortization, stated in  
3 total dollars and as a level percentage of total compensation.

4 (3) A separate capital budget document or schedule shall be  
5 submitted that will contain the following:

6 (a) A statement setting forth a long-range facilities plan for the  
7 state that identifies and includes the highest priority needs within  
8 affordable spending levels;

9 (b) A capital program consisting of proposed capital projects for  
10 the next biennium and the two biennia succeeding the next biennium  
11 consistent with the long-range facilities plan. Inasmuch as is  
12 practical, and recognizing emergent needs, the capital program shall  
13 reflect the priorities, projects, and spending levels proposed in  
14 previously submitted capital budget documents in order to provide a  
15 reliable long-range planning tool for the legislature and state  
16 agencies;

17 (c) A capital plan consisting of proposed capital spending for at  
18 least four biennia succeeding the next biennium;

19 (d) A strategic plan for reducing backlogs of maintenance and  
20 repair projects. The plan shall include a prioritized list of specific  
21 facility deficiencies and capital projects to address the deficiencies  
22 for each agency, cost estimates for each project, a schedule for  
23 completing projects over a reasonable period of time, and  
24 identification of normal maintenance activities to reduce future  
25 backlogs;

26 (e) A statement of the reason or purpose for a project;

27 (f) Verification that a project is consistent with the provisions  
28 set forth in chapter 36.70A RCW;

29 (g) A statement about the proposed site, size, and estimated life  
30 of the project, if applicable;

31 (h) Estimated total project cost;

32 (i) For major projects valued over five million dollars, estimated  
33 costs for the following project components: Acquisition, consultant  
34 services, construction, equipment, project management, and other costs  
35 included as part of the project. Project component costs shall be  
36 displayed in a standard format defined by the office of financial  
37 management to allow comparisons between projects;

1 (j) Estimated total project cost for each phase of the project as  
2 defined by the office of financial management;

3 (k) Estimated ensuing biennium costs;

4 (l) Estimated costs beyond the ensuing biennium;

5 (m) Estimated construction start and completion dates;

6 (n) Source and type of funds proposed;

7 (o) Estimated ongoing operating budget costs or savings resulting  
8 from the project, including staffing and maintenance costs;

9 (p) For any capital appropriation requested for a state agency for  
10 the acquisition of land or the capital improvement of land in which the  
11 primary purpose of the acquisition or improvement is recreation or  
12 wildlife habitat conservation, the capital budget document, or an  
13 omnibus list of recreation and habitat acquisitions provided with the  
14 governor's budget document, shall identify the projected costs of  
15 operation and maintenance for at least the two biennia succeeding the  
16 next biennium. Omnibus lists of habitat and recreation land  
17 acquisitions shall include individual project cost estimates for  
18 operation and maintenance as well as a total for all state projects  
19 included in the list. The document shall identify the source of funds  
20 from which the operation and maintenance costs are proposed to be  
21 funded;

22 (q) Such other information bearing upon capital projects as the  
23 governor deems to be useful;

24 (r) Standard terms, including a standard and uniform definition of  
25 normal maintenance, for all capital projects;

26 (s) Such other information as the legislature may direct by law or  
27 concurrent resolution.

28 For purposes of this subsection (3), the term "capital project"  
29 shall be defined subsequent to the analysis, findings, and  
30 recommendations of a joint committee comprised of representatives from  
31 the house capital appropriations committee, senate ways and means  
32 committee, legislative transportation committee, legislative evaluation  
33 and accountability program committee, and office of financial  
34 management.

35 (4) No change affecting the comparability of agency or program  
36 information relating to expenditures, revenues, workload, performance  
37 and personnel shall be made in the format of any budget document or  
38 report presented to the legislature under this section or RCW

1 43.88.160(1) relative to the format of the budget document or report  
2 which was presented to the previous regular session of the legislature  
3 during an odd-numbered year without prior legislative concurrence.  
4 Prior legislative concurrence shall consist of (a) a favorable majority  
5 vote on the proposal by the standing committees on ways and means of  
6 both houses if the legislature is in session or (b) a favorable  
7 majority vote on the proposal by members of the legislative evaluation  
8 and accountability program committee if the legislature is not in  
9 session.

10 **Sec. 910.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to  
11 read as follows:

12 (1) The K-20 technology account is hereby created in the state  
13 treasury. The department of information services shall deposit into  
14 the account moneys received from legislative appropriations, gifts,  
15 grants, and endowments for the buildout and installation of the K-20  
16 telecommunication system. The account shall be subject to  
17 appropriation and may be expended solely for the K-20 telecommunication  
18 system. Disbursements from the account shall be on authorization of  
19 the director of the department of information services with approval of  
20 the board.

21 (2) During the 2003-2005 biennium, the legislature may transfer  
22 moneys from the K-20 technology account to the state general fund such  
23 amounts as reflect the excess fund balance of the account.

24 **Sec. 911.** RCW 69.50.520 and 2003 1st sp.s. c 25 s 930 are each  
25 amended to read as follows:

26 The violence reduction and drug enforcement account is created in  
27 the state treasury. All designated receipts from RCW 9.41.110(8),  
28 66.24.210(4), 66.24.290(2), 69.50.505(~~((+i)+(1+))~~) (9)(a), 82.08.150(5),  
29 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989  
30 shall be deposited into the account. Expenditures from the account may  
31 be used only for funding services and programs under chapter 271, Laws  
32 of 1989 and chapter 7, Laws of 1994 sp. sess., including state  
33 incarceration costs. Funds from the account may also be appropriated  
34 to reimburse local governments for costs associated with implementing  
35 criminal justice legislation including chapter 338, Laws of 1997.  
36 During the 2003-2005 biennium, funds from the account may also be used

1 for costs associated with providing grants to local governments in  
2 accordance with chapter 338, Laws of 1997, funding drug offender  
3 treatment services in accordance with RCW 70.96A.350, maintenance and  
4 operating costs of the Washington association of sheriffs and police  
5 chiefs jail reporting system, maintenance and operating costs of the  
6 juvenile rehabilitation administration's client activity tracking  
7 system, civil indigent legal representation, multijurisdictional  
8 narcotics task forces, and grants to community networks under chapter  
9 70.190 RCW by the family policy council.

10 **Sec. 912.** RCW 74.46.431 and 2001 1st sp.s. c 8 s 5 are each  
11 amended to read as follows:

12 (1) Effective July 1, 1999, nursing facility medicaid payment rate  
13 allocations shall be facility-specific and shall have seven components:  
14 Direct care, therapy care, support services, operations, property,  
15 financing allowance, and variable return. The department shall  
16 establish and adjust each of these components, as provided in this  
17 section and elsewhere in this chapter, for each medicaid nursing  
18 facility in this state.

19 (2) All component rate allocations for essential community  
20 providers as defined in this chapter shall be based upon a minimum  
21 facility occupancy of eighty-five percent of licensed beds, regardless  
22 of how many beds are set up or in use. For all facilities other than  
23 essential community providers, effective July 1, 2001, component rate  
24 allocations in direct care, therapy care, support services, variable  
25 return, operations, property, and financing allowance shall continue to  
26 be based upon a minimum facility occupancy of eighty-five percent of  
27 licensed beds. For all facilities other than essential community  
28 providers, effective July 1, 2002, the component rate allocations in  
29 operations, property, and financing allowance shall be based upon a  
30 minimum facility occupancy of ninety percent of licensed beds,  
31 regardless of how many beds are set up or in use.

32 (3) Information and data sources used in determining medicaid  
33 payment rate allocations, including formulas, procedures, cost report  
34 periods, resident assessment instrument formats, resident assessment  
35 methodologies, and resident classification and case mix weighting  
36 methodologies, may be substituted or altered from time to time as  
37 determined by the department.

1 (4)(a) Direct care component rate allocations shall be established  
2 using adjusted cost report data covering at least six months. Adjusted  
3 cost report data from 1996 will be used for October 1, 1998, through  
4 June 30, 2001, direct care component rate allocations; adjusted cost  
5 report data from 1999 will be used for July 1, 2001, through June 30,  
6 ((2004)) 2005, direct care component rate allocations.

7 (b) Direct care component rate allocations based on 1996 cost  
8 report data shall be adjusted annually for economic trends and  
9 conditions by a factor or factors defined in the biennial  
10 appropriations act. A different economic trends and conditions  
11 adjustment factor or factors may be defined in the biennial  
12 appropriations act for facilities whose direct care component rate is  
13 set equal to their adjusted June 30, 1998, rate, as provided in RCW  
14 74.46.506(5)(i).

15 (c) Direct care component rate allocations based on 1999 cost  
16 report data shall be adjusted annually for economic trends and  
17 conditions by a factor or factors defined in the biennial  
18 appropriations act. A different economic trends and conditions  
19 adjustment factor or factors may be defined in the biennial  
20 appropriations act for facilities whose direct care component rate is  
21 set equal to their adjusted June 30, 1998, rate, as provided in RCW  
22 74.46.506(5)(i).

23 (5)(a) Therapy care component rate allocations shall be established  
24 using adjusted cost report data covering at least six months. Adjusted  
25 cost report data from 1996 will be used for October 1, 1998, through  
26 June 30, 2001, therapy care component rate allocations; adjusted cost  
27 report data from 1999 will be used for July 1, 2001, through June 30,  
28 ((2004)) (2005), therapy care component rate allocations.

29 (b) Therapy care component rate allocations shall be adjusted  
30 annually for economic trends and conditions by a factor or factors  
31 defined in the biennial appropriations act.

32 (6)(a) Support services component rate allocations shall be  
33 established using adjusted cost report data covering at least six  
34 months. Adjusted cost report data from 1996 shall be used for October  
35 1, 1998, through June 30, 2001, support services component rate  
36 allocations; adjusted cost report data from 1999 shall be used for July  
37 1, 2001, through June 30, ((2004)) 2005, support services component  
38 rate allocations.

1 (b) Support services component rate allocations shall be adjusted  
2 annually for economic trends and conditions by a factor or factors  
3 defined in the biennial appropriations act.

4 (7)(a) Operations component rate allocations shall be established  
5 using adjusted cost report data covering at least six months. Adjusted  
6 cost report data from 1996 shall be used for October 1, 1998, through  
7 June 30, 2001, operations component rate allocations; adjusted cost  
8 report data from 1999 shall be used for July 1, 2001, through June 30,  
9 ((2004)) 2005, operations component rate allocations.

10 (b) Operations component rate allocations shall be adjusted  
11 annually for economic trends and conditions by a factor or factors  
12 defined in the biennial appropriations act.

13 (8) For July 1, 1998, through September 30, 1998, a facility's  
14 property and return on investment component rates shall be the  
15 facility's June 30, 1998, property and return on investment component  
16 rates, without increase. For October 1, 1998, through June 30, 1999,  
17 a facility's property and return on investment component rates shall be  
18 rebased utilizing 1997 adjusted cost report data covering at least six  
19 months of data.

20 (9) Total payment rates under the nursing facility medicaid payment  
21 system shall not exceed facility rates charged to the general public  
22 for comparable services.

23 (10) Medicaid contractors shall pay to all facility staff a minimum  
24 wage of the greater of the state minimum wage or the federal minimum  
25 wage.

26 (11) The department shall establish in rule procedures, principles,  
27 and conditions for determining component rate allocations for  
28 facilities in circumstances not directly addressed by this chapter,  
29 including but not limited to: The need to prorate inflation for  
30 partial-period cost report data, newly constructed facilities, existing  
31 facilities entering the medicaid program for the first time or after a  
32 period of absence from the program, existing facilities with expanded  
33 new bed capacity, existing medicaid facilities following a change of  
34 ownership of the nursing facility business, facilities banking beds or  
35 converting beds back into service, facilities temporarily reducing the  
36 number of set-up beds during a remodel, facilities having less than six  
37 months of either resident assessment, cost report data, or both, under  
38 the current contractor prior to rate setting, and other circumstances.

1 (12) The department shall establish in rule procedures, principles,  
2 and conditions, including necessary threshold costs, for adjusting  
3 rates to reflect capital improvements or new requirements imposed by  
4 the department or the federal government. Any such rate adjustments  
5 are subject to the provisions of RCW 74.46.421.

6 (13) Effective July 1, 2001, medicaid rates shall continue to be  
7 revised downward in all components, in accordance with department  
8 rules, for facilities converting banked beds to active service under  
9 chapter 70.38 RCW, by using the facility's increased licensed bed  
10 capacity to recalculate minimum occupancy for rate setting. However,  
11 for facilities other than essential community providers which bank beds  
12 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be  
13 revised upward, in accordance with department rules, in direct care,  
14 therapy care, support services, and variable return components only, by  
15 using the facility's decreased licensed bed capacity to recalculate  
16 minimum occupancy for rate setting, but no upward revision shall be  
17 made to operations, property, or financing allowance component rates.

18 (14) Facilities obtaining a certificate of need or a certificate of  
19 need exemption under chapter 70.38 RCW after June 30, 2001, must have  
20 a certificate of capital authorization in order for (a) the  
21 depreciation resulting from the capitalized addition to be included in  
22 calculation of the facility's property component rate allocation; and  
23 (b) the net invested funds associated with the capitalized addition to  
24 be included in calculation of the facility's financing allowance rate  
25 allocation.

26 NEW SECTION. **Sec. 913.** If any provision of this act or its  
27 application to any person or circumstance is held invalid, the  
28 remainder of the act or the application of the provision to other  
29 persons or circumstances is not affected.

30 NEW SECTION. **Sec. 914.** This act is necessary for the immediate  
31 preservation of the public peace, health, or safety, or support of the  
32 state government and its existing public institutions, and takes effect  
33 immediately.

(End of part)

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