

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2459

58th Legislature
2004 Regular Session

Passed by the House March 11, 2004
Yeas 84 Nays 12

Speaker of the House of Representatives

Passed by the Senate March 11, 2004
Yeas 34 Nays 15

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2459** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

1 **Sec. 101.** 2003 1st sp.s. c 25 s 101 (uncodified) is amended to
2 read as follows:

3 **FOR THE HOUSE OF REPRESENTATIVES**

| | | |
|----|---|---------------------------|
| 4 | General Fund--State Appropriation (FY 2004) | \$28,109,000 |
| 5 | General Fund--State Appropriation (FY 2005) | (\$28,233,000) |
| 6 | | <u>\$28,308,000</u> |
| 7 | Department of Retirement Systems Expense Account-- | |
| 8 | State Appropriation | \$45,000 |
| 9 | TOTAL APPROPRIATION | (\$56,387,000) |
| 10 | | <u>\$56,462,000</u> |

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

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

18 **FOR THE SENATE**

| | | |
|----|---|---------------------------|
| 19 | General Fund--State Appropriation (FY 2004) | \$22,001,000 |
| 20 | General Fund--State Appropriation (FY 2005) | (\$23,173,000) |
| 21 | | <u>\$23,248,000</u> |
| 22 | Department of Retirement Systems Expense Account-- | |
| 23 | State Appropriation | \$45,000 |
| 24 | TOTAL APPROPRIATION | (\$45,219,000) |
| 25 | | <u>\$45,294,000</u> |

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

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

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

| | | |
|----|---|--------------------------|
| 34 | General Fund--State Appropriation (FY 2004) | \$1,627,000 |
| 35 | General Fund--State Appropriation (FY 2005) | (\$1,717,000) |
| 36 | | <u>\$2,242,000</u> |

1 TOTAL APPROPRIATION ((~~\$3,344,000~~))

2 \$3,869,000

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

5 (1) \$150,000 of the state general fund appropriation for fiscal
6 year 2005 is provided for a performance audit of the policies and
7 practices of the state wildfire suppression program. Annual fire
8 suppression costs averaged \$11,000,000 for the ten years ending with
9 fiscal year 2001, yet have increased to an average of \$31,000,000 per
10 year for fiscal years 2002, 2003, and 2004. The legislature realizes
11 that overall forest health issues may contribute to some of this
12 increase, but the legislature intends to evaluate the full range of
13 causes for such large increases in fire suppression costs. The
14 performance audit shall include, but not be limited to:

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

17 (b) An examination of the factors that are contributing to the
18 recent increase in the cost of fire suppression. The examination shall
19 include a review of changes in the use of high-cost equipment and
20 services; changes in the level of reimbursement for contractors and
21 employees; changes in the use of permanent agency employees for fire
22 suppression compared to the use of temporary employees, inmate labor,
23 and contractors; and changes in other significant costs. The
24 examination shall include an analysis of how the respective
25 responsibilities of various state agencies, local fire districts, and
26 federal agencies are used to determine cost allocation among the
27 responsible agencies;

28 (c) An examination of how the department of natural resources
29 determines the proportion of fire suppression costs charged to private
30 parties and the landowners contingency account; and

31 (d) Any findings and recommendations from the state auditor's
32 office related to fire suppression costs.

33 A final report of the performance audit shall be provided to the
34 appropriate fiscal and policy committees of the legislature by June 30,
35 2005.

36 (2) \$50,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely for a study of state and national trends
38 for prevalence of developmental disabilities including autism, mental

1 retardation, cerebral palsy, and other major developmental
2 disabilities. The study shall include but not be limited to a review
3 of:

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

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

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

10 (d) Data sources specific to Washington state.

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

13 (3) \$25,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely for a study of the distribution of
15 gambling revenues in Washington and other states. The study shall
16 include, but not necessarily be limited to, a survey of the types of
17 gambling allowed by state, local, and tribal governments; the types of
18 revenues from gambling, such as fees, taxation, and revenue sharing;
19 and the distribution to state, local, and tribal governments of those
20 revenues. The committee shall report the study findings to the
21 appropriate policy and fiscal committees of the legislature no later
22 than December 1, 2004.

23 (4) \$25,000 of the fiscal year 2005 general fund--state
24 appropriation is provided solely for a study evaluating the state's
25 current rules related to the licensing and testing requirements for
26 heating, ventilation and air conditioning contractors and installers.
27 The study shall develop recommendations for modifications in licensing
28 and testing requirements.

29 (5) \$100,000 of the general fund--state appropriation for fiscal
30 year 2005 is provided solely for the joint legislative audit and review
31 committee and the state auditor's office to conduct a legal and
32 financial review of alternative learning experience programs under WAC
33 392-121-182. The joint legislative audit and review committee shall be
34 the lead agency in conducting the review. Prior to undertaking this
35 review, the joint legislative audit and review committee and the state
36 auditor's office shall develop a mutually acceptable work plan for
37 conducting the review, detailing the roles and responsibilities of the
38 two agencies and the topics to be covered in the review. The topics

1 should include, but not be limited to: (a) Numbers of students served,
2 variations in program types, and funding patterns for alternative
3 learning experience programs, including digital curriculum and online
4 courses; (b) the adequacy of current rules, regulations, and procedures
5 to safeguard against the misuse of public resources based on any
6 deficiencies identified in the state auditor's audit of alternative
7 learning experience programs due to be completed in May 2004; (c)
8 identification of policy and administrative options to address and
9 correct such identified deficiencies; and (d) the potential fiscal
10 impacts of any proposed options for changes to alternative learning
11 experience programs. The staff of the joint legislative audit and
12 review committee shall work with fiscal staff of the senate, the house
13 of representatives, and the office of financial management in
14 identifying these potential fiscal impacts. The joint legislative
15 audit and review committee shall provide an interim report by February
16 1, 2005, and a final report by July 1, 2005, of its findings and
17 recommendations to the appropriate policy and fiscal committees of the
18 legislature. School districts are authorized to operate digital
19 learning curriculum and/or online courses of study under current
20 district procedures and practices until June 30, 2005.

21 (6) \$25,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely to study current and potential methods of
23 bidding and purchasing school buses for home-to-school transportation.
24 The purpose of the study is to recommend methods and systems for
25 obtaining competitive prices for state reimbursement purposes and for
26 district purchasing purposes while at the same time allowing local
27 school district control over decisions concerning the management of
28 pupil transportation systems and the make-up of bus fleets. The study
29 shall examine bidding and purchasing methods and procedures used in
30 other states and compare the results of those methods with the results
31 of current and past methods employed by the office of the
32 superintendent of public instruction, purchasing organizations, and
33 school districts in this state. A preliminary report, including
34 recommendations, shall be available by December 2004.

35 (7) \$150,000 of the general fund--state appropriation for fiscal
36 year 2005 is provided solely to implement Third Engrossed Substitute
37 House Bill No. 1053 (government accountability). If the bill is not

1 enacted by June 30, 2004, the amount provided in this subsection shall
2 lapse.

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

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

6 General Fund--State Appropriation (FY 2004) ((\$1,656,000))
7 \$1,631,000

8 General Fund--State Appropriation (FY 2005) ((\$1,799,000))
9 \$1,774,000

10 TOTAL APPROPRIATION ((\$3,455,000))
11 \$3,405,000

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

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

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

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

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

9 **Sec. 105.** 2003 1st sp.s. c 25 s 109 (uncodified) is amended to
10 read as follows:

11 **FOR THE SUPREME COURT**

| | | |
|----|---|---------------------|
| 12 | General Fund--State Appropriation (FY 2004) | ((\$5,462,000)) |
| 13 | | <u>\$5,475,000</u> |
| 14 | General Fund--State Appropriation (FY 2005) | ((\$5,665,000)) |
| 15 | | <u>\$5,720,000</u> |
| 16 | TOTAL APPROPRIATION | ((\$11,127,000)) |
| 17 | | <u>\$11,195,000</u> |

18 **Sec. 106.** 2003 1st sp.s. c 25 s 110 (uncodified) is amended to
19 read as follows:

20 **FOR THE LAW LIBRARY**

| | | |
|----|---|--------------------|
| 21 | General Fund--State Appropriation (FY 2004) | ((\$2,045,000)) |
| 22 | | <u>\$2,049,000</u> |
| 23 | General Fund--State Appropriation (FY 2005) | \$2,050,000 |
| 24 | TOTAL APPROPRIATION | ((\$4,095,000)) |
| 25 | | <u>\$4,099,000</u> |

26 **Sec. 107.** 2003 1st sp.s. c 25 s 111 (uncodified) is amended to
27 read as follows:

28 **FOR THE COURT OF APPEALS**

| | | |
|----|---|---------------------|
| 29 | General Fund--State Appropriation (FY 2004) | ((\$12,510,000)) |
| 30 | | <u>\$12,523,000</u> |
| 31 | General Fund--State Appropriation (FY 2005) | ((\$12,747,000)) |
| 32 | | <u>\$12,931,000</u> |
| 33 | TOTAL APPROPRIATION | ((\$25,257,000)) |
| 34 | | <u>\$25,454,000</u> |

1 **Sec. 108.** 2003 1st sp.s. c 25 s 113 (uncodified) is amended to
2 read as follows:

3 **FOR THE ADMINISTRATOR FOR THE COURTS**

| | | |
|----|---|--------------------------------|
| 4 | General Fund--State Appropriation (FY 2004) | ((\$17,295,000)) |
| 5 | | <u>\$17,374,000</u> |
| 6 | General Fund--State Appropriation (FY 2005) | ((\$17,340,000)) |
| 7 | | <u>\$18,036,000</u> |
| 8 | Public Safety and Education Account--State | |
| 9 | Appropriation | ((\$43,389,000)) |
| 10 | | <u>\$43,534,000</u> |
| 11 | Judicial Information Systems Account--State | |
| 12 | Appropriation | ((\$27,903,000)) |
| 13 | | <u>\$31,803,000</u> |
| 14 | TOTAL APPROPRIATION | ((\$105,927,000)) |
| 15 | | <u>\$110,747,000</u> |

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

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

22 (2) \$750,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$750,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for court-appointed special
25 advocates in dependency matters. The administrator for the courts,
26 after consulting with the association of juvenile court administrators
27 and the association of court-appointed special advocate/guardian ad
28 litem programs, shall distribute the funds to volunteer court-appointed
29 special advocate/guardian ad litem programs. The distribution of
30 funding shall be based on the number of children who need volunteer
31 court-appointed special advocate representation and shall be equally
32 accessible to all volunteer court-appointed special advocate/guardian
33 ad litem programs. The administrator for the courts shall not retain
34 more than six percent of total funding to cover administrative or any
35 other agency costs.

36 (3) ((~~\$12,572,000~~)) \$16,172,000 of the judicial information systems
37 account--state appropriation is provided solely for improvements and
38 enhancements to the judicial information system. ((~~This funding shall~~

1 ~~only be expended after the office of the administrator for the courts~~
2 ~~certifies to the office of financial management that there will be at~~
3 ~~least a \$1,000,000 ending fund balance in the judicial information~~
4 ~~systems account at the end of the 2003-05 biennium.))~~ Of this amount,
5 \$1,100,000 is provided solely for disaster recovery planning,
6 equipment, and testing for the judicial information system.

7 (4) \$3,000,000 of the public safety and education account--state
8 appropriation is provided solely for school district petitions to
9 juvenile court for truant students as provided in RCW 28A.225.030 and
10 28A.225.035. The office of the administrator for the courts shall
11 develop an interagency agreement with the office of the superintendent
12 of public instruction to allocate the funding provided in this
13 subsection. Allocation of this money to school districts shall be
14 based on the number of petitions filed.

15 (5) \$13,224,000 of the public safety and education account--state
16 appropriation is provided solely for distribution to county juvenile
17 court administrators to fund the costs of processing truancy, children
18 in need of services, and at-risk youth petitions. The office of the
19 administrator for the courts shall not retain any portion of these
20 funds to cover administrative costs. The office of the administrator
21 for the courts, in conjunction with the juvenile court administrators,
22 shall develop an equitable funding distribution formula. The formula
23 shall neither reward counties with higher than average per-petition
24 processing costs nor shall it penalize counties with lower than average
25 per-petition processing costs.

26 (6) The distributions made under subsection (6) of this section and
27 distributions from the county criminal justice assistance account made
28 pursuant to section 801 of this act constitute appropriate
29 reimbursement for costs for any new programs or increased level of
30 service for purposes of RCW 43.135.060.

31 (7) Each fiscal year during the 2003-05 fiscal biennium, each
32 county shall report the number of petitions processed and the total
33 actual costs of processing truancy, children in need of services, and
34 at-risk youth petitions. Counties shall submit the reports to the
35 ~~((department))~~ administrator for the courts no later than 45 days after
36 the end of the fiscal year. The ~~((department))~~ administrator for the
37 courts shall electronically transmit this information to the chairs and
38 ranking minority members of the house of representatives appropriations

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

4 (8) \$813,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$762,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for billing and related costs for
7 the office of the administrator for the courts pursuant to Engrossed
8 Substitute Senate Bill No. 5990 (supervision of offenders).

9 (9) \$1,800,000 of the public safety and education account
10 appropriation is provided solely for distribution to the county clerks
11 for the collection of legal financial obligations pursuant to Engrossed
12 Substitute Senate Bill No. 5990 (supervision of offenders). The
13 funding shall be distributed by the office of the administrator for the
14 courts to the county clerks in accordance with the funding formula
15 determined by the Washington association of county officials pursuant
16 to Engrossed Substitute Senate Bill No. 5990 (supervision of
17 offenders).

18 **Sec. 109.** 2003 1st sp.s. c 25 s 114 (uncodified) is amended to
19 read as follows:

20 **FOR THE OFFICE OF PUBLIC DEFENSE**

| | | |
|----|---|-------------------------------|
| 21 | General Fund--State Appropriation (FY 2004) | \$666,000 |
| 22 | General Fund--State Appropriation (FY 2005) | \$884,000 |
| 23 | Public Safety and Education Account--State | |
| 24 | Appropriation | ((\$12,395,000)) |
| 25 | | <u>\$12,783,000</u> |
| 26 | TOTAL APPROPRIATION | ((\$13,945,000)) |
| 27 | | <u>\$14,333,000</u> |

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

30 (1) \$51,000 of the public safety and education account
31 appropriation is provided solely for the office of public defense's
32 costs in implementing chapter 303, Laws of 1999 (court funding).

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

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

3 (1) \$2,296,000 of the general fund--state appropriation for fiscal
4 year 2004 is provided solely to reimburse counties for the state's
5 share of primary and general election costs and the costs of conducting
6 mandatory recounts on state measures. Counties shall be reimbursed
7 only for those odd-year election costs that the secretary of state
8 validates as eligible for reimbursement.

9 (2) \$1,826,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$2,686,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the verification of initiative
12 and referendum petitions, maintenance of related voter registration
13 records, and the publication and distribution of the voters and
14 candidates pamphlet.

15 (3) \$125,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$118,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for legal advertising of state
18 measures under RCW 29.27.072.

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

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

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

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

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

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

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

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

15 (5) (~~(\$6,038,000 of the general fund state appropriation for~~
16 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
17 ~~state's share of the cost of conducting the presidential primary.))~~
18 \$252,000 of the archives and records management account--state
19 appropriation and \$1,504,000 of the local government archives account--
20 state appropriation are provided solely for additional facility capital
21 costs, digital archive technology architecture costs, and additional
22 digital archive staff and operational costs, associated with the new
23 eastern regional archives and digital archives facility.

24 (6) The entire election account--state appropriation in this
25 section is provided solely as state match funding for federal moneys
26 provided under the Help America Vote act (P.L. 107-252). Of the state
27 match funding provided, the secretary of state may expend only the
28 amount required to match the federal funding received, and any amount
29 that is not necessary to match the federal funding shall lapse. After
30 receipt of the federal moneys, the office of the secretary of state
31 shall notify the appropriations committee of the house of
32 representatives and the ways and means committee of the senate of the
33 amount of federal funding received and the associated required state
34 match.

35 **Sec. 112.** 2003 1st sp.s. c 25 s 121 (uncodified) is amended to
36 read as follows:

1 **FOR THE STATE TREASURER**

| | | |
|---|--|-------------------------------|
| 2 | State Treasurer's Service Account--State | |
| 3 | Appropriation | ((\$13,149,000)) |
| 4 | | <u>\$13,463,000</u> |

5 **Sec. 113.** 2003 1st sp.s. c 25 s 122 (uncodified) is amended to
6 read as follows:

7 **FOR THE STATE AUDITOR**

| | | |
|----|---|-------------------------------|
| 8 | General Fund--State Appropriation (FY 2004) | \$701,000 |
| 9 | General Fund--State Appropriation (FY 2005) | ((\$702,000)) |
| 10 | | <u>\$802,000</u> |
| 11 | State Auditing Services Revolving Account--State | |
| 12 | Appropriation | \$12,810,000 |
| 13 | TOTAL APPROPRIATION | ((\$14,213,000)) |
| 14 | | <u>\$14,313,000</u> |

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

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

22 (2) \$701,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$702,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for staff and related costs to
25 verify the accuracy of reported school district data submitted for
26 state funding purposes; conduct school district program audits of state
27 funded public school programs; establish the specific amount of state
28 funding adjustments whenever audit exceptions occur and the amount is
29 not firmly established in the course of regular public school audits;
30 and to assist the state special education safety net committee when
31 requested.

32 (3) \$100,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely for a review of emergency fire suppression
34 costs in the department of natural resources. The state auditor's
35 office shall coordinate this study with the joint legislative audit and
36 review committee performance audit of the emergency fire suppression
37 program. The state auditor's review of fire suppression costs shall

1 examine payroll documents and invoices to determine if appropriate
2 controls are in place to ensure that only appropriate emergency fires
3 suppression costs are charged to the emergency fire suppression budget.

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

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

| | | |
|----|---|----------------------------|
| 7 | General Fund--State Appropriation (FY 2004) | ((\$83,000)) |
| 8 | | <u>\$112,000</u> |
| 9 | General Fund--State Appropriation (FY 2005) | ((\$157,000)) |
| 10 | | <u>\$192,000</u> |
| 11 | TOTAL APPROPRIATION | ((\$240,000)) |
| 12 | | <u>\$304,000</u> |

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

15 **FOR THE ATTORNEY GENERAL**

| | | |
|----|---|--------------------------------|
| 16 | General Fund--State Appropriation (FY 2004) | ((\$4,057,000)) |
| 17 | | <u>\$4,345,000</u> |
| 18 | General Fund--State Appropriation (FY 2005) | ((\$4,109,000)) |
| 19 | | <u>\$4,166,000</u> |
| 20 | General Fund--Federal Appropriation | \$2,845,000 |
| 21 | Public Safety and Education Account--State | |
| 22 | Appropriation | ((\$1,814,000)) |
| 23 | | <u>\$2,001,000</u> |
| 24 | Tobacco Prevention and Control Account--State | |
| 25 | Appropriation | \$270,000 |
| 26 | New Motor Vehicle Arbitration Account--State | |
| 27 | Appropriation | \$1,180,000 |
| 28 | Legal Services Revolving Account--State | |
| 29 | Appropriation | ((\$165,275,000)) |
| 30 | | <u>\$166,624,000</u> |
| 31 | TOTAL APPROPRIATION | ((\$179,550,000)) |
| 32 | | <u>\$181,431,000</u> |

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

35 (1) The attorney general shall report each fiscal year on actual
36 legal services expenditures and actual attorney staffing levels for

1 each agency receiving legal services. The report shall be submitted to
2 the office of financial management and the fiscal committees of the
3 senate and house of representatives no later than ninety days after the
4 end of each fiscal year.

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

10 (3) \$818,000 of the legal services revolving account--state
11 appropriation is provided solely for legal defense costs associated
12 with *Pacific Sound Resources v. Burlington Northern Santa Fe Railroad*
13 *et al.*

14 (4) \$70,000 of the legal services revolving account--state
15 appropriation is provided solely to implement Engrossed Second
16 Substitute Senate Bill No. 6489 (correctional industries). If the bill
17 is not enacted by June 30, 2004, the amount provided in this subsection
18 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) | ((\$638,000)) |
| 23 | | <u>\$669,000</u> |
| 24 | General Fund--State Appropriation (FY 2005) | ((\$639,000)) |
| 25 | | <u>\$671,000</u> |
| 26 | TOTAL APPROPRIATION | ((\$1,277,000)) |
| 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) | ((\$61,459,000)) |
| 32 | | <u>\$61,805,000</u> |
| 33 | General Fund--State Appropriation (FY 2005) | ((\$60,801,000)) |
| 34 | | <u>\$66,566,000</u> |
| 35 | General Fund--Federal Appropriation | ((\$213,287,000)) |
| 36 | | <u>\$236,264,000</u> |

| | | |
|----|--|--------------------------------|
| 1 | General Fund--Private/Local Appropriation | ((\$10,574,000)) |
| 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 | ((\$1,913,000)) |
| 7 | | <u>\$2,088,000</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 | ((\$3,293,000)) |
| 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 | ((\$1,909,000)) |
| 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--</u> | |
| 28 | <u>State Appropriation</u> | <u>\$120,000</u> |
| 29 | <u>Homeless Families Services Fund--State</u> | |
| 30 | <u>Appropriation</u> | <u>\$150,000</u> |
| 31 | TOTAL APPROPRIATION | ((\$392,805,000)) |
| 32 | | <u>\$431,511,000</u> |

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

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

1 technology center and conducted in partnership with universities, the
2 center shall not pay any increased indirect rate nor increases in other
3 indirect charges above the absolute amount paid during the 1995-97
4 fiscal biennium.

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

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

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

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

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

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

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

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

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

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

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

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

37 (k) \$97,591 to the department to continue evaluation of Byrne
38 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)~~) \$125,000 of the general fund--state appropriation
19 for fiscal year 2004 and (~~(\$300,000)~~) \$475,000 of the general fund--
20 state appropriation for fiscal year 2005 are provided solely for the
21 business retention and expansion program to fund contracts with locally
22 based development organizations for local business and job retention
23 activities. In administering new and existing funding for the business
24 retention and expansion program, the department shall ensure the
25 existing local programs are funded at levels that meet or exceed the
26 funding provided in the 2001-2003 biennium.

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

34 (13) \$200,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$200,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for business development
37 activities to conduct statewide and/or regional business recruitment
38 and client lead generation services. In administering this funding,

1 the department shall solicit recommendations from a statewide economic
2 development organization representing associate development
3 organizations.

4 (14) \$60,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$60,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the community services block
7 grant program for pass-through to community action agencies.

8 (15) \$26,862,000 of the general fund--state appropriation for
9 fiscal year 2004 and \$26,862,000 of the general fund--state
10 appropriation for fiscal year 2005 are provided solely for providing
11 early childhood education assistance.

12 (16) Within the amounts appropriated in this section, funding is
13 provided for Washington state dues for the Pacific northwest economic
14 region.

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

21 (18) \$600,000 of the public safety and education account
22 appropriation is provided solely for sexual assault prevention and
23 treatment programs.

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

31 (20) Repayments of outstanding loans granted under RCW 43.63A.600,
32 the mortgage and rental assistance program, shall be remitted to the
33 department, including any current revolving account balances. The
34 department shall contract with a lender or contract collection agent to
35 act as a collection agent of the state. The lender or contract
36 collection agent shall collect payments on outstanding loans, and
37 deposit them into an interest-bearing account. The funds collected
38 shall be remitted to the department quarterly. Interest earned in the

1 account may be retained by the lender or contract collection agent, and
2 shall be considered a fee for processing payments on behalf of the
3 state. Repayments of loans granted under this chapter shall be made to
4 the lender or contract collection agent as long as the loan is
5 outstanding, notwithstanding the repeal of the chapter.

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

9 (22) \$10,208,818 of the general fund--federal appropriation is
10 provided solely for the drug control and system improvement formula
11 grant program, to be distributed in state fiscal year 2005 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

3 (m) \$800,051 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 those 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 (23) \$100,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$400,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the purpose of grants to
20 support the base realignment and closure process. The department shall
21 develop and implement criteria and procedures such as the types of
22 activities that can be funded by the grants and requirements for local
23 matching funds for the issuance of grants to one organization within:
24 Island county, Kitsap county, Pierce county, Snohomish county, and
25 Spokane county. The department shall use a portion of the funding
26 provided to support the related activities of state agencies as
27 identified by the governor.

28 (24) \$163,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for pass through to community voice mail
30 agencies as identified in this subsection, in order for these agencies
31 to provide people in crisis and transition free and personalized voice
32 mail services:

33 (a) The Opportunity Council, Bellingham, \$15,000;

34 (b) Skagit Community Action, Skagit county, \$12,000;

35 (c) The Opportunity Council, Island county, \$11,000;

36 (d) Volunteers of America, Snohomish county, \$10,616;

37 (e) Fremont Public Association, Seattle, \$27,909;

38 (f) Metropolitan Development Council, Tacoma, \$10,475;

1 (g) Community Voice Mail National, Olympia, \$18,000;
2 (h) Council on Homelessness, Vancouver, \$12,500;
3 (i) Chelan-Douglas Community Action, north central Washington,
4 \$13,000;
5 (j) Benton-Franklin Community Action, south central Washington,
6 \$17,500; and

7 (k) SNAP, Spokane, \$15,000.

8 (25) \$634,000 of the general fund--state appropriation for fiscal
9 year 2004, \$634,000 of the general fund--state appropriation for fiscal
10 year 2005, and \$1,101,000 of the administrative contingency account
11 appropriation are provided solely for contracting with associate
12 development organizations to maintain existing programs.

13 (26) \$150,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely to the department of community, trade, and
15 economic development for the northwest orthopaedic institute to develop
16 additional organizational infrastructure to assist community-based
17 musculoskeletal health research.

18 (27) \$300,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely to the department of community, trade, and
20 economic development for the youth assessment center in Pierce county
21 for activities dedicated to reducing the rate of incarceration of
22 juvenile offenders.

23 (28) \$99,000 of the general fund--state appropriation for fiscal
24 year 2005 is provided solely for the retired senior volunteer program.

25 (29) \$2,000,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for increased civil legal services for the
27 indigent. Of this amount, \$100,000 shall be allocated to a general
28 farm organization with members in every county of the state to develop
29 and administer an alternative dispute resolution system for disputes
30 between farmers and farm workers.

31 (30) \$2,000,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for deposit in the homeless families
33 services fund created in section 718 of this act.

34 (31) The entire homeless families services fund--state
35 appropriation is provided solely to administer the homeless families
36 fund and program created in section 718 of this act. It is the intent
37 of the legislature that beginning with the 2005-07 biennium, the

1 department choose a qualified contractor to administer the homeless
2 families services fund program.

3 (32) \$421,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$193,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely to coordinate the state's efforts
6 in siting the 7E7 final assembly plant.

7 (33) \$60,000 of the general fund--state appropriation for fiscal
8 year 2005 is provided solely for a study under (a) through (i) of this
9 subsection. Expenditure of this amount is contingent upon a \$60,000
10 match from a county with a population exceeding one million. The
11 department shall conduct a study to:

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

16 (i) The number of acres annexed;

17 (ii) The number of acres incorporated;

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

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

23 (b) Determine the characteristics of remaining urban unincorporated
24 areas and current statutes, and estimate when all urban unincorporated
25 areas in each county will be annexed or incorporated, based on the rate
26 of progress to date;

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

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

31 (e) Survey residents of urban unincorporated areas in each of the
32 subject counties to identify their attitudes towards annexation or
33 incorporation;

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

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

1 (h) Assess the role and statutory authority of the boundary review
2 board and how altering their role and authority might facilitate
3 annexation; and

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

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

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

11 (34) \$150,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely for deposit in the small business
13 incubator account to implement Engrossed Substitute House Bill No. 2784
14 (small business incubator program). If this bill is not enacted by
15 June 30, 2004, the amount provided in this subsection shall lapse.

16 (35) \$75,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely to implement Substitute Senate Bill No.
18 6488 (agricultural lands study). If the bill is not enacted by June
19 30, 2004, the amount provided in this subsection shall lapse.

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

22 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

| | | |
|----|---|-------------------------------|
| 23 | General Fund--State Appropriation (FY 2004) | ((\$12,662,000)) |
| 24 | | <u>\$12,617,000</u> |
| 25 | General Fund--State Appropriation (FY 2005) | ((\$12,383,000)) |
| 26 | | <u>\$12,860,000</u> |
| 27 | General Fund--Federal Appropriation | ((\$23,500,000)) |
| 28 | | <u>\$23,924,000</u> |
| 29 | Violence Reduction and Drug Enforcement | |
| 30 | Account--State Appropriation | \$242,000 |
| 31 | State Auditing Services Revolving | |
| 32 | Account--State Appropriation | \$25,000 |
| 33 | TOTAL APPROPRIATION | ((\$48,812,000)) |
| 34 | | <u>\$49,668,000</u> |

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

1 (1) (~~(\$127,000)~~) \$67,000 of the general fund--state appropriation
2 for fiscal year 2004 and (~~(\$122,000)~~) \$232,000 of the general fund--
3 state appropriation for fiscal year 2005 are provided solely to
4 implement Second Substitute Senate Bill No. 5694 (integrated permit
5 system) and Second Substitute Senate Bill No. 6217 (regulatory
6 improvement center). (~~((If the bill is not enacted by June 30, 2003,~~
7 ~~the amounts provided in this subsection shall lapse.))~~) If Second
8 Substitute Senate Bill No. 6217 is not enacted by June 30, 2004,
9 \$50,000 of the general fund--state appropriation for fiscal year 2005
10 shall lapse.

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

21 (3) \$40,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely for the office of financial management to
23 contract for an evaluation of the costs and benefits of additional
24 efforts aimed at encouraging K-12 employee collective bargaining units
25 to elect coverage under public employee benefits board (PEBB)
26 administered health care plans. This evaluation will include, but is
27 not limited to, the following: A review of current processes for the
28 procurement of health benefit coverage by K-12 employees; an assessment
29 of the costs and benefits for the state, local school districts, and K-
30 12 employees of moving to PEBB administered health care plans; and
31 options for creating incentives for K-12 employee collective bargaining
32 units moving to PEBB administered plans. The office of financial
33 management shall report regarding the results of this study to the
34 governor and the fiscal committees of the legislature by December 1,
35 2004.

36 (4)(a) \$75,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely for a task force on noneconomic damages.
38 On or before October 31, 2005, the task force shall prepare a study and

1 develop, for consideration by the legislature, a proposed plan for
2 implementation of an advisory schedule of noneconomic damages in
3 actions for injuries resulting from health care under chapter 7.70 RCW.
4 Implementation of any proposed plan is contingent upon statutory
5 authorization by the legislature.

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

11 (i) The information that can most appropriately be used to provide
12 guidance to the trier of fact regarding noneconomic damage awards,
13 giving consideration to past noneconomic damage awards for similar
14 injuries, considering severity and duration of the injuries, and other
15 factors deemed appropriate by the task force; past noneconomic damage
16 awards for similar claims for damages; and such other information the
17 task force finds appropriate;

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

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

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

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

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

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

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

31 (i) One member from each of the two largest caucuses in the senate, to
32 be appointed by the president of the senate, and one member from each
33 of the two largest caucuses in the house of representatives, to be
34 appointed by the speaker of the house of representatives; (ii) one
35 health care ethicist; (iii) one economist; (iv) one actuary; (v) two
36 attorneys with expertise or significant experience in medical
37 malpractice actions, one representing the plaintiff's bar and one
38 representing the insurance defense bar; (vi) two superior court judges;

1 (vii) one representative of a hospital; (viii) one physician; (ix) one
2 representative of a medical malpractice insurer; and (x) two consumers.
3 The governor shall appoint the nonlegislative members of the task force
4 and select a chair.

5 (e) Legislative members of the task force shall be reimbursed for
6 travel expenses under RCW 44.04.120. Nonlegislative members of the
7 task force shall be reimbursed for travel expenses as provided in RCW
8 43.03.050 and 43.03.060.

9 (f) The office of financial management shall provide support to the
10 task force with the assistance of staff from the administrative office
11 of the courts, the house of representatives office of program research,
12 and senate committee services.

13 (5) \$252,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely for the office to study land use and local
15 government finance and make recommendations on the impact that current
16 trends in city and county revenue sources and expenditures may have on
17 land use decisions made by counties and cities and meeting goals of the
18 growth management act. Among the areas to be studied: Local
19 government revenue sources and expenditures over the past decade; the
20 relationship between local government finances and land use decisions
21 including commercial, residential, and industrial development;
22 cooperation or competition of adjoining jurisdictions over land use and
23 annexation; the relationship new development has to existing commercial
24 and residential areas and its effect on a community's infrastructure
25 and quality of life. The study shall include recommendations for state
26 and local government fiscal partnerships that encourage cooperation
27 among jurisdictions to meet the goals of the growth management act, and
28 how the state and local government fiscal structure can better meet the
29 responsibilities of providing services to citizens and meeting the
30 goals of the growth management act.

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

33 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

34 Administrative Hearings Revolving Account--State

35 Appropriation ((\$24,619,000))
36 \$26,983,000

1 training sessions shall be recouped through a fee charged to the
2 participants of each session.

3 **Sec. 121.** 2003 1st sp.s. c 25 s 137 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF REVENUE**

| | | |
|----|---|--------------------------------|
| 6 | General Fund--State Appropriation (FY 2004) | \$82,644,000 |
| 7 | General Fund--State Appropriation (FY 2005) | ((\$81,916,000)) |
| 8 | | <u>\$82,036,000</u> |
| 9 | Timber Tax Distribution Account--State | |
| 10 | Appropriation | ((\$5,191,000)) |
| 11 | | <u>\$5,327,000</u> |
| 12 | Waste Education/Recycling/Litter Control--State | |
| 13 | Appropriation | \$101,000 |
| 14 | State Toxics Control Account--State | |
| 15 | Appropriation | \$67,000 |
| 16 | Oil Spill Administration Account--State | |
| 17 | Appropriation | \$14,000 |
| 18 | TOTAL APPROPRIATION | ((\$169,933,000)) |
| 19 | | <u>\$170,189,000</u> |

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

22 (1) \$120,000 of the general fund--state appropriation for fiscal
23 year 2005 is provided solely to implement Senate Bill No. 5034 (senior
24 citizen property tax exemption). If the bill is not enacted by June
25 30, 2004, the amount provided in this subsection shall lapse.

26 (2) \$136,000 of the timber tax distribution account appropriation
27 is provided solely to implement Engrossed Substitute House Bill No.
28 2693 (taxation of timber). If the bill is not enacted by June 30,
29 2004, the amount provided in this subsection shall lapse.

30 **Sec. 122.** 2003 1st sp.s. c 25 s 138 (uncodified) is amended to
31 read as follows:

32 **FOR THE BOARD OF TAX APPEALS**

| | | |
|----|---|------------------------------|
| 33 | General Fund--State Appropriation (FY 2004) | ((\$1,141,000)) |
| 34 | | <u>\$1,186,000</u> |
| 35 | General Fund--State Appropriation (FY 2005) | ((\$988,000)) |
| 36 | | <u>\$1,033,000</u> |

1 TOTAL APPROPRIATION ((~~\$2,129,000~~))
2 \$2,219,000

3 **Sec. 123.** 2003 1st sp.s. c 25 s 140 (uncodified) is amended to
4 read as follows:

5 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

6 OMWBE Enterprises Account--State
7 Appropriation \$1,990,000

8 The appropriation in this section is subject to the following
9 conditions and limitations:

10 (1) The office's revolving fund charges to state agencies may not
11 exceed ((~~\$1,282,000~~)) \$1,534,000.

12 (2) During the 2003-05 biennium, the office may receive gifts,
13 grants, or endowments from public or private sources that are made from
14 time to time, in trust or otherwise, for the use and benefit of the
15 purposes of the office and spend gifts, grants, or endowments or income
16 from the public or private sources according to their terms, unless the
17 receipt of the gifts, grants, or endowments violates RCW 42.17.710.

18 (3) During ((~~fiscal year 2004~~)) the 2003-05 biennium, the office
19 may raise fees in excess of the fiscal growth factor.

20 **Sec. 124.** 2003 1st sp.s. c 25 s 141 (uncodified) is amended to
21 read as follows:

22 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

23 General Fund--State Appropriation (FY 2004) ((~~\$193,000~~))
24 \$235,000

25 General Fund--State Appropriation (FY 2005) ((~~\$275,000~~))
26 \$233,000

27 General Fund--Federal Appropriation ((~~\$3,215,000~~))
28 \$3,865,000

29 General Administration Services Account--State
30 Appropriation ((~~\$38,086,000~~))
31 \$38,856,000

32 TOTAL APPROPRIATION ((~~\$41,769,000~~))
33 \$43,189,000

34 **Sec. 125.** 2003 1st sp.s. c 25 s 135 (uncodified) is amended to
35 read as follows:

| | | |
|---|---|-------------------------------|
| 1 | FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS | |
| 2 | Dependent Care Administrative Account--State | |
| 3 | Appropriation | \$384,000 |
| 4 | Department of Retirement Systems Expense Account-- | |
| 5 | State Appropriation | ((\$44,485,000)) |
| 6 | | <u>\$45,216,000</u> |
| 7 | TOTAL APPROPRIATION | ((\$44,869,000)) |
| 8 | | <u>\$45,600,000</u> |

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

11 (1) \$31,000 of the retirement systems expense account appropriation
12 is provided solely to implement House Bill No. 1519, chapter 155, Laws
13 of 2003 (unreduced duty death survivor benefits).

14 (2) \$1,678,000 of the retirement systems expense account
15 appropriation is provided solely to implement House Bill No. 2197,
16 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'
17 plan 2 board implementation).

18 (3) \$2,083,000 of the retirement systems expense account
19 appropriation is provided solely for the support of the information
20 systems project known as the electronic document image management
21 system.

22 (4) \$124,000 of the department of retirement systems expense
23 account--state appropriation is provided solely to implement Senate
24 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'
25 retirement credit).

26 (5) \$77,000 of the department of retirement systems expense
27 account--state appropriation is provided solely to implement Senate
28 Bill No. 5100, chapter 32, Laws of 2003 (fallen hero survivor
29 benefits).

30 (6) \$21,000 of the department of retirement systems expense
31 account--state appropriation is provided solely to implement House Bill
32 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

33 (7) \$30,000 of the department of retirement systems expense
34 account--state appropriation is provided solely to implement House Bill
35 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

36 (8) \$324,000 of the department of retirement systems expense
37 account--state appropriation is provided solely to implement Substitute
38 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

1 (9) \$125,000 of the department of retirement systems expense
2 account--state appropriation is provided solely to implement Substitute
3 House Bill No. 1202, chapter 293, Laws of 2003 (emergency medical
4 technicians' retirement).

5 (10) \$188,000 of the department of retirement systems expense
6 account--state appropriation is provided solely to implement House Bill
7 No. 2418 (minimum disability benefits). If the bill is not enacted by
8 June 30, 2004, the amount provided in this subsection shall lapse.

9 (11) \$7,000 of the department of retirement systems expense
10 account--state appropriation is provided solely to implement House Bill
11 No. 2419 (unreduced line-duty death benefits). If the bill is not
12 enacted by June 30, 2004, the amount provided in this subsection shall
13 lapse.

14 (12) \$5,000 of the department of retirement systems expense
15 account--state appropriation is provided solely to implement Senate
16 Bill No. 6254 (state patrol line-duty death benefits). If the bill is
17 not enacted by June 30, 2004, the amount provided in this subsection
18 shall lapse.

19 (13) \$128,000 of the department of retirement systems expense
20 account--state appropriation is provided solely to implement House Bill
21 No. 2538 (\$1,000 minimum benefit). If the bill is not enacted by June
22 30, 2004, the amount provided in this subsection shall lapse.

23 (14) \$403,000 of the department of retirement systems expense
24 account--state appropriation is provided solely to implement House Bill
25 No. 2537 (public safety employees' retirement system). If the bill is
26 not enacted by June 30, 2004, the amount provided in this subsection
27 shall lapse.

28 **Sec. 126.** 2003 1st sp.s. c 25 s 142 (uncodified) is amended to
29 read as follows:

30 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

| | | |
|----|--|--------------------------|
| 31 | General Fund--State Appropriation (FY 2004) | \$1,000,000 |
| 32 | General Fund--State Appropriation (FY 2005) | (\$1,000,000) |
| 33 | | <u>\$1,650,000</u> |
| 34 | Data Processing Revolving Account--State Appropriation . . | \$3,569,000 |
| 35 | TOTAL APPROPRIATION | (\$5,569,000) |
| 36 | | <u>\$6,219,000</u> |

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$1,000,000 of the general fund--state
3 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,650,000 of the
4 general fund--state appropriation for fiscal year 2005 are provided
5 solely for the digital learning commons to create a demonstration
6 project, in collaboration with schools, which will provide a web-based
7 portal where students, parents, and teachers from around the state will
8 have access to digital curriculum resources, learning tools, and online
9 classes. The intent is to establish a clearinghouse of high quality
10 online courses and curriculum materials that are aligned with the
11 state's essential learning requirements. The clearinghouse shall be
12 designed for ease of use and shall pool the purchasing power of the
13 state so that these resources and courses are affordable and accessible
14 to schools, teachers, students, and parents. These appropriations are
15 subject to the following conditions and limitations:

16 (1) The funding provided in this section shall be expended
17 primarily for acquiring online courses and curriculum materials that
18 are aligned with the state "essential learning requirements" and that
19 meet standards of quality. No more than ten percent of the funds
20 provided in this subsection shall be used for administrative expenses
21 of the digital learning commons.

22 (2) To the maximum extent possible, funds shall be used on
23 demonstration projects that utilize online course materials and
24 curricula that are already available. The commons may also consider
25 utilizing existing products in establishing the entire digital learning
26 commons.

27 (3) By September 1, 2003, the digital learning commons shall begin
28 offering access to and reimbursement for online courses and services.

29 (4) In consultation with the department of information services,
30 the office of financial management shall monitor compliance with these
31 conditions and limitations. By February 1, 2004, the digital learning
32 commons shall submit a report to the governor and the appropriate
33 legislative committees detailing the types of courses and services
34 offered and the number of students served through the digital learning
35 commons.

36 **Sec. 127.** 2003 1st sp.s. c 25 s 143 (uncodified) is amended to
37 read as follows:

| | | |
|---|--|--------------------------------|
| 1 | Account--State Appropriation | \$5,717,000 |
| 2 | Liquor Revolving Account--State | |
| 3 | Appropriation | ((\$133,842,000)) |
| 4 | | <u>\$135,303,000</u> |
| 5 | TOTAL APPROPRIATION | ((\$142,468,000)) |
| 6 | | <u>\$143,929,000</u> |

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

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

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

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

31 (4) During the 2003-2005 fiscal biennium, the board may increase
32 the fee for the certificate of approval in excess of the fiscal growth
33 factor under RCW 43.135.055 if the increase is necessary to fully fund
34 the costs of administering the certificate of approval program under
35 Substitute Senate Bill No. 6655, as amended. If the bill is not
36 enacted by June 30, 2004, this subsection is null and void.

37 (5) \$385,000 of the liquor revolving account--state appropriation

1 is provided solely to implement Engrossed Substitute Senate Bill No.
2 6655 (beer/wine manufacturers). If the bill is not enacted by June 30,
3 2004, the amount provided in this subsection shall lapse.

4 **Sec. 130.** 2003 1st sp.s. c 25 s 148 (uncodified) is amended to
5 read as follows:

6 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

7 Public Service Revolving Account--State
8 Appropriation ((\$25,872,000))
9 \$26,458,000
10 Pipeline Safety Account--State
11 Appropriation \$2,768,000
12 Pipeline Safety Account--Federal
13 Appropriation \$1,041,000
14 TOTAL APPROPRIATION ((\$29,681,000))
15 \$30,267,000

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

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

21 ~~((3))~~ (2) \$135,000 of the public services revolving account
22 appropriation and \$15,000 of the pipeline safety account--state
23 appropriation are provided solely for the implementation of the
24 commission's financial systems project. If final approval for the
25 project is not granted by the office of financial management, the
26 amounts provided in this subsection shall lapse.

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

33 **Sec. 131.** 2003 1st sp.s. c 25 s 150 (uncodified) is amended to
34 read as follows:

35 **FOR THE MILITARY DEPARTMENT**

36 General Fund--State Appropriation (FY 2004) ((\$8,486,000))

| | | |
|----|---|--------------------------------|
| 1 | | <u>\$8,578,000</u> |
| 2 | General Fund--State Appropriation (FY 2005) | ((\$8,223,000)) |
| 3 | | <u>\$8,466,000</u> |
| 4 | General Fund--Federal Appropriation | ((\$72,094,000)) |
| 5 | | <u>\$143,243,000</u> |
| 6 | General Fund--Private/Local Appropriation | \$371,000 |
| 7 | Enhanced 911 Account--State Appropriation | \$33,955,000 |
| 8 | Disaster Response Account--State Appropriation | ((\$190,000)) |
| 9 | | <u>\$3,387,000</u> |
| 10 | <u>Disaster Response Account--Federal Appropriation</u> | <u>\$7,857,000</u> |
| 11 | Worker and Community Right to Know Fund--State | |
| 12 | Appropriation | \$290,000 |
| 13 | Nisqually Earthquake Account--State | |
| 14 | Appropriation | ((\$13,128,000)) |
| 15 | | <u>\$17,869,000</u> |
| 16 | Nisqually Earthquake Account--Federal | |
| 17 | Appropriation | ((\$48,725,000)) |
| 18 | | <u>\$62,103,000</u> |
| 19 | TOTAL APPROPRIATION | ((\$185,462,000)) |
| 20 | | <u>\$286,119,000</u> |

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

23 (1) \$190,000 of the disaster response account--state appropriation
24 is provided solely to develop and implement a disaster grant management
25 system. The military department shall also submit a report quarterly
26 to the office of financial management and the legislative fiscal
27 committees detailing information on the disaster response account,
28 including: (a) The amount and type of deposits into the account; (b)
29 the current available fund balance as of the reporting date; and (c)
30 the projected fund balance at the end of the 2003-05 biennium based on
31 current revenue and expenditure patterns.

32 (2) ((~~\$10,128,000~~)) \$14,869,000 of the Nisqually earthquake
33 account--state appropriation and ((~~\$48,725,000~~)) \$62,103,000 of the
34 Nisqually earthquake account--federal appropriation are provided solely
35 for response and recovery costs associated with the February 28, 2001,
36 earthquake. The military department shall submit a report quarterly to
37 the office of financial management and the legislative fiscal
38 committees detailing earthquake recovery costs, including: (a)

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

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

24 (4) \$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 (~~(\$43,555,000)~~) \$105,952,000 of the general fund--
27 federal appropriation are provided solely for homeland security, to be
28 distributed as follows:

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

33 (b) \$200,000 of the general fund--state appropriation for fiscal
34 year 2004, \$200,000 of the general fund--state appropriation for fiscal
35 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal
36 appropriation to the department to conduct the terrorism consequence
37 management program;

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

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

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

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

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

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

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

32 **Sec. 132.** 2003 1st sp.s. c 25 s 151 (uncodified) is amended to
33 read as follows:

34 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

| | | |
|----|---|------------------------------|
| 35 | General Fund--State Appropriation (FY 2004) | \$2,362,000 |
| 36 | General Fund--State Appropriation (FY 2005) | ((\$2,436,000)) |
| 37 | | <u>\$2,437,000</u> |

| | | |
|---|--|------------------------------|
| 1 | Department of Personnel Service Account--State | |
| 2 | Appropriation | \$2,542,000 |
| 3 | TOTAL APPROPRIATION | ((\$7,340,000)) |
| 4 | | <u>\$7,341,000</u> |

5 The appropriations in this section are subject to the following
6 conditions and limitations: ~~((~~\$40,000 of the general fund state~~~~
7 ~~appropriation for fiscal year 2005 is provided solely for the~~
8 ~~implementation of Second Substitute Senate Bill No. 5012 (charter~~
9 ~~schools). If the bill is not enacted by June 30, 2003, the amount~~
10 ~~provided in this subsection shall lapse.))~~ \$41,000 of the general
11 fund--state appropriation for fiscal year 2005 is provided solely for
12 the implementation of Second Substitute House Bill No. 2295 or Second
13 Engrossed Substitute Senate Bill No. 5012 (charter schools). If
14 neither bill is enacted by June 30, 2004, the amount provided in this
15 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 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) \$2,000,000 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, including \$65,000 for domestic violence
7 shelter operating costs in Shelton.

8 (9) \$1,773,000 of the general fund--state appropriation for fiscal
9 year 2005 and \$531,000 of the general fund--federal appropriation are
10 provided solely to implement Engrossed Substitute Senate Bill No. 6642
11 (case conferences), CAMIS user interface improvements, and family team
12 decision meetings, as part of the department's program improvement plan
13 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) | ((\$74,095,000)) |
| 25 | | <u>\$72,362,000</u> |
| 26 | General Fund--State Appropriation (FY 2005) | ((\$72,697,000)) |
| 27 | | <u>\$70,565,000</u> |
| 28 | General Fund--Federal Appropriation | ((\$12,062,000)) |
| 29 | | <u>\$6,260,000</u> |
| 30 | General Fund--Private/Local Appropriation | \$1,098,000 |
| 31 | Juvenile Accountability Incentive | |
| 32 | Account--Federal Appropriation | ((\$9,139,000)) |
| 33 | | <u>\$7,300,000</u> |
| 34 | Violence Reduction and Drug Enforcement Account-- | |
| 35 | State Appropriation | ((\$37,338,000)) |
| 36 | | <u>\$37,699,000</u> |
| 37 | TOTAL APPROPRIATION | ((\$206,429,000)) |

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) | ((\$209,818,000)) |
| | <u>\$200,251,000</u> |
| 6 General Fund--State Appropriation (FY 2005) | ((\$211,317,000)) |
| | <u>\$214,010,000</u> |
| 8 General Fund--Federal Appropriation | ((\$384,801,000)) |
| | <u>\$405,549,000</u> |
| 10 General Fund--Local Appropriation | \$1,970,000 |
| 11 TOTAL APPROPRIATION | ((\$807,906,000)) |
| | <u>\$821,780,000</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 \$86,607,000

| | | |
|---|---|--------------------------------|
| 1 | General Fund--State Appropriation (FY 2005) | ((\$92,964,000)) |
| 2 | | <u>\$87,592,000</u> |
| 3 | General Fund--Federal Appropriation | ((\$134,755,000)) |
| 4 | | <u>\$146,945,000</u> |
| 5 | General Fund--Private/Local Appropriation | ((\$26,342,000)) |
| 6 | | <u>\$29,063,000</u> |
| 7 | TOTAL APPROPRIATION | ((\$348,257,000)) |
| 8 | | <u>\$350,207,000</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) \$124,000 of the general fund--state appropriation for fiscal
18 year 2005, \$19,000 of the general fund--private/local appropriation,
19 and \$17,000 of the general fund--federal appropriation are provided
20 solely for implementation of Senate Bill No. 6358 (treatment orders).
21 If Senate Bill No. 6358 is not enacted by June 30, 2004, the amount
22 provided in this subsection shall lapse.

23 (d) During the 2003-05 biennium, the department may not reduce the
24 number of inpatient psychiatric hospital beds in the state hospitals
25 below existing levels of 642 at Western State Hospital and 191 at
26 Eastern State Hospital, until such time as there are available
27 community resources, especially inpatient facilities, at an average
28 cost equal to or less than the respective hospital's daily rate and the
29 reduction receives legislative approval. In addition, residential beds
30 in the program for adaptive living skills at Western State Hospital may
31 be closed only if the department provides sufficient resources for
32 these patients' mental health care to the communities in which they are
33 placed.

34 (3) CIVIL COMMITMENT

| | | |
|----|---|-------------------------------|
| 35 | General Fund--State Appropriation (FY 2004) | ((\$28,695,000)) |
| 36 | | <u>\$29,194,000</u> |
| 37 | General Fund--State Appropriation (FY 2005) | ((\$32,081,000)) |
| 38 | | <u>\$34,400,000</u> |

1 TOTAL APPROPRIATION ((\$60,776,000))
2 \$63,594,000

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

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

10 ~~(b))~~ \$300,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$300,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for public safety mitigation
13 funding for jurisdictions affected by the placement of ((less
14 restrictive alternative facilities for persons conditionally released
15 from the special commitment center facility being constructed)) the
16 secure community transition facility on McNeil Island. Of this amount,
17 \$45,000 per year shall be provided to the city of Lakewood on September
18 1, 2003, and September 1, 2004, for police protection ((reimbursement))
19 services provided by the city at Western State Hospital and adjacent
20 areas((; up to \$45,000 per year shall be provided on September 1, 2003,
21 and September 1, 2004, for training police personnel under chapter 12,
22 Laws of 2001, 2nd sp. sess. (3ESSB 6151); up to \$125,000 per year shall
23 be provided to Pierce county on September 1, 2003, and September 1,
24 2004, for reimbursement of additional costs; and the remaining amounts
25 are for other documented costs by jurisdictions directly impacted by
26 the placement of the secure community transition facility on McNeil
27 Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB
28 6151), the department shall continue to work with local jurisdictions
29 towards reaching agreement for mitigation costs)). Of the remaining
30 \$255,000 per year, the department shall reimburse the affected
31 jurisdictions for their documented costs that have been negotiated in
32 an interagency agreement between the department and each jurisdiction,
33 as follows:

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

36 (ii) Up to \$45,000 per year shall be provided to affected
37 jurisdictions other than Pierce county for the costs of training their

1 law enforcement and administrative personnel as defined in RCW
2 71.09.344(2)(a).

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

6 ~~((c) \$924,000 of the general fund--state appropriation for fiscal~~
7 ~~year 2004 and \$1,429,000 of the general fund--state appropriation for~~
8 ~~fiscal year 2005 are provided solely for operational costs associated~~
9 ~~with a less restrictive step down placement facility located outside of~~
10 ~~Pierce county. In selecting a site, the department is encouraged to~~
11 ~~purchase or lease a site in an industrial area close to employment~~
12 ~~opportunities and treatment services, in an effort to reduce operating~~
13 ~~expenditures related to transportation and staff time.))~~

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

25 (c) \$1,212,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$1,260,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for legal fees charged to the
28 special commitment program, including increased hourly rates.

29 (4) SPECIAL PROJECTS
30 General Fund--Federal Appropriation \$2,082,000

31 (5) PROGRAM SUPPORT
32 General Fund--State Appropriation (FY 2004) ((~~\$2,863,000~~))
33 \$3,124,000
34 General Fund--State Appropriation (FY 2005) ((~~\$2,751,000~~))
35 \$3,208,000
36 General Fund--Federal Appropriation ((~~\$5,011,000~~))
37 \$5,918,000

38 TOTAL APPROPRIATION ((~~\$10,625,000~~))

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

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

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

(c) \$53,000 of the general fund--state appropriation and \$47,000 of the general fund--federal appropriation for fiscal year 2005 are provided solely for development of a plan for maintaining and increasing the number of beds available for treatment of persons experiencing acute psychiatric emergencies. The plan is to provide an estimate of the number of state hospital and community acute care beds needed in different areas of the state, and to estimate the construction and operating cost of meeting that need under alternative operating arrangements.

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

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2004) ((~~\$262,458,000~~))

1 (c) (~~(\$510,000)~~) \$562,000 of the general fund--state appropriation
2 for fiscal year 2004, (~~(\$784,000)~~) \$1,767,000 of the general fund--
3 state appropriation for fiscal year 2005, and (~~(\$1,225,000)~~) \$2,266,000
4 of the general fund--federal appropriation are provided solely for
5 community residential and support services. Funding in this subsection
6 shall be prioritized for (i) residents of residential habilitation
7 centers who are able to be adequately cared for in community settings
8 and who choose to live in those community settings; (~~and~~) (ii)
9 clients without residential services who are at immediate risk of
10 institutionalization or in crisis; (iii) children who are aging out of
11 other state services; and (iv) current home and community-based waiver
12 program clients who have been assessed as having an immediate need for
13 increased services. The department shall ensure that the average cost
14 per day for all program services other than start-up costs shall not
15 exceed \$300. In order to maximize the number of clients served and
16 ensure the cost-effectiveness of the waiver programs, the department
17 will strive to limit new client placement expenditures to 90 percent of
18 the budgeted daily rate. If this can be accomplished, additional
19 clients may be served with excess funds provided the total projected
20 carry-forward expenditures do not exceed the amounts estimated. The
21 department shall implement the four new waiver programs such that
22 decisions about enrollment levels and the amount, duration, and scope
23 of services maintain expenditures within appropriations. The
24 department shall electronically report to the appropriate committees of
25 the legislature, within 45 days following each fiscal year quarter, the
26 number of residents moving into community settings and the actual
27 expenditures for all community services to support those residents.

28 (d) (~~(\$511,000)~~) \$563,000 of the general fund--state appropriation
29 for fiscal year 2004, (~~(\$616,000)~~) \$1,390,000 of the general fund--
30 state appropriation for fiscal year 2005, and (~~(\$1,073,000)~~) \$1,905,000
31 of the general fund--federal appropriation are provided solely for
32 expanded community services for persons with developmental disabilities
33 who also have community protection issues (~~or are diverted or~~
34 ~~discharged from state psychiatric hospitals)).~~ Funding in this
35 subsection shall be prioritized for (i) clients being diverted or
36 discharged from the state psychiatric hospitals; (ii) clients
37 participating in the dangerous mentally ill offender program; (iii)
38 clients participating in the community protection program; and (iv)

1 mental health crisis diversion outplacements. The department shall
2 ensure that the average cost per day for all program services other
3 than start-up costs shall not exceed \$300. In order to maximize the
4 number of clients served and ensure the cost-effectiveness of the
5 waiver programs, the department will strive to limit new client
6 placement expenditures to 90 percent of the budgeted daily rate. If
7 this can be accomplished, additional clients may be served with excess
8 funds provided the total projected carry-forward expenditures do not
9 exceed the amounts estimated. The department shall implement the four
10 new waiver programs such that decisions about enrollment levels and the
11 amount, duration, and scope of services maintain expenditures within
12 appropriations. The department shall electronically report to the
13 appropriate committees of the legislature, within 45 days following
14 each fiscal year quarter, the number of persons served with these
15 additional community services, where they were residing, what kinds of
16 services they were receiving prior to placement, and the actual
17 expenditures for all community services to support these clients.

18 (e) The department shall provide a status report on the transition,
19 implementation, and operation of the four home and community-based
20 waivers that will replace the community alternatives program waiver.
21 The department shall electronically report to the appropriate
22 committees of the legislature, within 45 days following each fiscal
23 year quarter for the quarters through December 2004, the following
24 information for each home and community-based waiver: Total projected
25 state and federal fiscal year expenditures, year-to-date actual
26 expenditures compared to projected expenditures, year-to-date
27 unduplicated clients compared to projected clients, actual average per
28 capita costs compared to projected per capita costs, number of
29 transfers between waivers, amount of emergency funds spent to date
30 compared to projected emergency costs, state and federal funds
31 transferred from the medicaid personal care program to the four home
32 and community-based waiver programs, and the year-to-date number of new
33 clients added to a waiver program.

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

1 (~~(f)~~ \$3,290,000) (g) \$3,202,000 of the general fund--state
2 appropriation for fiscal year 2004, (~~(\$4,773,000)~~) \$4,472,000 of the
3 general fund--state appropriation for fiscal year 2005, and
4 (~~(\$7,504,000)~~) \$7,633,000 of the general fund--federal appropriation
5 are provided solely for the purpose of providing a wage increase
6 effective October 1, 2003, for individual home care workers providing
7 state-funded services. The amounts in this subsection also include the
8 funds needed for the employer share of unemployment and social security
9 taxes on the amount of the increase.

10 (~~(g)~~ \$355,000) (h) \$213,000 of the general fund--state
11 appropriation for fiscal year 2004, (~~(\$517,000)~~) \$289,000 of the
12 general fund--state appropriation for fiscal year 2005, and
13 (~~(\$848,000)~~) \$500,000 of the general fund--federal appropriation are
14 provided solely to increase payments to agency home care providers from
15 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
16 amounts in this subsection shall be used to increase (~~wages~~)
17 compensation for direct care workers by 75 cents per hour. The amounts
18 in this subsection also include the funds needed for the employer share
19 of unemployment and social security taxes on the amount of the
20 increase.

21 (i) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2005 and \$300,000 of the general fund--federal appropriation are
23 provided solely for employment and day services. Priority
24 consideration for this new funding shall be young adults with
25 developmental disabilities living with their family who need employment
26 opportunities and assistance after high school graduation. Services
27 shall be provided proportionately between waiver and nonwaiver clients.
28 Federal funds may be used to enhance this funding only to the extent
29 that a client is already on a home and community-based waiver. This
30 funding shall not be used to add new clients to a home and community-
31 based waiver.

32 (j) \$312,000 of the general fund--state appropriation for fiscal
33 year 2005 and \$290,000 of the general fund--federal appropriation are
34 provided solely to increase payments to agency home care providers from
35 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The
36 amounts in this subsection shall be used to increase compensation for
37 direct care workers by 50 cents per hour. The amounts in this

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

3 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|----------------------|
| 4 | General Fund--State Appropriation (FY 2004) | ((\$71,862,000)) |
| 5 | | <u>\$67,708,000</u> |
| 6 | General Fund--State Appropriation (FY 2005) | ((\$70,926,000)) |
| 7 | | <u>\$70,794,000</u> |
| 8 | General Fund--Federal Appropriation | ((\$144,682,000)) |
| 9 | | <u>\$148,998,000</u> |
| 10 | General Fund--Private/Local Appropriation | \$11,228,000 |
| 11 | TOTAL APPROPRIATION | ((\$298,698,000)) |
| 12 | | <u>\$298,728,000</u> |

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

19 (3) PROGRAM SUPPORT

| | | |
|----|---|---------------------|
| 20 | General Fund--State Appropriation (FY 2004) | ((\$2,245,000)) |
| 21 | | <u>\$2,474,000</u> |
| 22 | General Fund--State Appropriation (FY 2005) | ((\$2,245,000)) |
| 23 | | <u>\$3,208,000</u> |
| 24 | General Fund--Federal Appropriation | ((\$2,965,000)) |
| 25 | | <u>\$4,209,000</u> |
| 26 | Telecommunications Devices for the Hearing and | |
| 27 | Speech Impaired Account Appropriation | ((\$1,782,000)) |
| 28 | | <u>\$891,000</u> |
| 29 | TOTAL APPROPRIATION | ((\$9,237,000)) |
| 30 | | <u>\$10,782,000</u> |

31 The appropriation in this subsection is subject to the following
32 conditions and limitations: \$245,000 of the general fund--state
33 appropriation for fiscal year 2004, \$996,000 of the general fund--state
34 appropriation for fiscal year 2005, and \$1,258,000 of the general
35 fund--federal appropriation are provided solely for the purpose of
36 developing and implementing a consistent needs assessment instrument
37 for use on all clients with developmental disabilities. In developing

1 the instrument, the department shall develop a process for collecting
2 data on family income for minor children with developmental
3 disabilities who are clients of the department and shall ensure that
4 this information is captured as part of the client assessment process.

5 (4) SPECIAL PROJECTS
6 General Fund--Federal Appropriation (~~(\$11,993,000)~~)
7 \$13,604,000

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

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
11 **SERVICES PROGRAM**

12 General Fund--State Appropriation (FY 2004) (~~(\$557,645,000)~~)
13 \$523,896,000
14 General Fund--State Appropriation (FY 2005) (~~(\$570,669,000)~~)
15 \$578,270,000
16 General Fund--Federal Appropriation (~~(\$1,162,511,000)~~)
17 \$1,187,250,000
18 General Fund--Private/Local Appropriation \$18,644,000
19 Health Services Account--State
20 Appropriation \$4,888,000
21 TOTAL APPROPRIATION (~~(\$2,314,357,000)~~)
22 \$2,312,948,000

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

25 (1) The entire health services account appropriation, \$1,476,000 of
26 the general fund--state appropriation for fiscal year 2004,
27 (~~(\$1,476,000)~~) \$1,043,000 of the general fund--state appropriation for
28 fiscal year 2005, and (~~(\$7,284,000)~~) \$6,851,000 of the general fund--
29 federal appropriation are provided solely for health care benefits for
30 home care workers who are employed through state contracts for at least
31 twenty hours per week.

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

35 (b) Home care agencies may obtain coverage either through the basic
36 health plan or through an alternative plan with substantially
37 equivalent benefits. Premium payments made to home care agencies shall

1 be limited to home care workers who are employed at least twenty hours
2 per week to serve state-funded clients. It is the intent of the
3 legislature to fund the purchase of health care benefits for agency
4 home care providers in a more fiscally prudent manner. The legislature
5 encourages agency providers to purchase more cost-effective health care
6 benefits, including increasing participation in the basic health plan
7 or purchasing substantially equivalent benefits with substantially
8 equivalent costs.

9 (2) \$1,768,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,768,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for operation of the volunteer
12 chore services program.

13 (3) For purposes of implementing chapter 74.46 RCW, the weighted
14 average nursing facility payment rate shall be no more than ((~~\$144.54~~))
15 \$142.04 for fiscal year 2004, and no more than ((~~\$147.43~~)) \$148.11 for
16 fiscal year 2005. For all facilities, the direct care, therapy care,
17 support services, and operations component rates established in
18 accordance with chapter 74.46 RCW shall be adjusted for economic trends
19 and conditions by 3.0 percent effective July 1, 2003, and by an
20 additional 2.4 percent effective July 1, 2004.

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

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

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

35 (a) ((The)) One waiver program shall include coverage of care in
36 community residential facilities. Enrollment in the waiver shall not
37 exceed 600 persons ((~~by the end of fiscal year 2004, nor 600 persons by~~
38 ~~the end of fiscal year 2005~~)) at any time.

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

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

7 ~~((e))~~ (d) The department shall track and electronically report to
8 health care and fiscal committees of the legislature by November 15,
9 2004, on the types of long-term care support a sample of waiver
10 participants were receiving prior to their enrollment in the waivers,
11 how those services were being paid for, and an assessment of their
12 adequacy.

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

17 (7) \$118,000 of the general fund--state appropriation for fiscal
18 year 2004, \$118,000 of the general fund--state appropriation for fiscal
19 year 2005, and \$236,000 of the general fund--federal appropriation are
20 provided solely for the department to assess at least annually each
21 elderly resident residing in residential habilitation centers and
22 state-operated living alternatives to determine if the resident can be
23 more appropriately served in a less restrictive setting.

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

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

32 (c) The appropriate interdisciplinary team shall conduct the
33 evaluation.

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

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

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

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

19 (10) (~~(\$7,102,000))~~ \$6,418,000 of the general fund--state
20 appropriation for fiscal year 2004, (~~(\$10,065,000))~~ \$8,620,000 of the
21 general fund--state appropriation for fiscal year 2005, and
22 (~~(\$17,029,000))~~ \$15,038,000 of the general fund--federal appropriation
23 are provided solely for the purpose of providing a wage increase
24 effective October 1, 2003, for individual home care workers providing
25 state-funded services. The amounts in this subsection also include the
26 funds needed for the employer share of unemployment and social security
27 taxes on the amount of the increase.

28 (11) (~~(\$2,219,000))~~ \$2,294,000 of the general fund--state
29 appropriation for fiscal year 2004, (~~(\$3,192,000))~~ \$3,266,000 of the
30 general fund--state appropriation for fiscal year 2005, and
31 (~~(\$5,263,000))~~ \$5,560,000 of the general fund--federal appropriation
32 are provided solely to increase payments to agency home care providers
33 from \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
34 amounts in this subsection shall be used to increase (~~wages~~)
35 compensation for direct care workers by 75 cents per hour. The amounts
36 in this subsection also include the funds needed for the employer share
37 of unemployment and social security taxes on the amount of the
38 increase.

1 (12) \$1,952,000 of the general fund--state appropriation for fiscal
2 year 2005 and \$1,941,000 of the general fund--federal appropriation are
3 provided solely to increase payments to agency home care providers from
4 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The
5 amounts in this subsection shall be used to increase compensation for
6 direct care workers by 50 cents per hour. The amounts in this
7 subsection also include the funds needed for the employer share of
8 unemployment and social security taxes on the amount of the increase.

9 (13) \$500,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely for area agencies on aging, or entities
11 with which area agencies on aging contract, to provide support services
12 for grandparents and other formal and informal kinship caregivers of
13 children throughout the state.

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

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

21 (c) In carrying out the kinship caregivers support program, each
22 area agency on aging shall coordinate the activities of the agency, or
23 entities with which the agency contracts, with the activities of other
24 public and private agencies or organizations providing similar services
25 for kinship caregivers.

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

28 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
29 **PROGRAM**

| | | |
|----|---|----------------------------------|
| 30 | General Fund--State Appropriation (FY 2004) | ((\$408,184,000)) |
| 31 | | <u>\$445,968,000</u> |
| 32 | General Fund--State Appropriation (FY 2005) | ((\$407,363,000)) |
| 33 | | <u>\$437,720,000</u> |
| 34 | General Fund--Federal Appropriation | ((\$1,209,758,000)) |
| 35 | | <u>\$1,208,746,000</u> |
| 36 | General Fund--Private/Local Appropriation | ((\$33,880,000)) |
| 37 | | <u>\$33,891,000</u> |

1 TOTAL APPROPRIATION ((~~\$2,059,185,000~~))
2 \$2,126,325,000

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

5 (1) \$273,652,000 of the general fund--state appropriation for
6 fiscal year 2004, \$273,695,000 of the general fund--state appropriation
7 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal
8 appropriation are provided solely for all components of the WorkFirst
9 program. Within the amounts provided for the WorkFirst program, the
10 department shall:

11 (a) Continue to implement WorkFirst program improvements that are
12 designed to achieve progress against outcome measures specified in RCW
13 74.08A.410. Valid outcome measures of job retention and wage
14 progression shall be developed and reported quarterly to appropriate
15 fiscal and policy committees of the legislature for families who leave
16 assistance, measured after 12 months, 24 months, and 36 months. The
17 department shall also report the percentage of families who have
18 returned to temporary assistance for needy families after 12 months, 24
19 months, and 36 months;

20 (b) Submit a report by October 1, 2003, to the fiscal committees of
21 the legislature containing a spending plan for the WorkFirst program.
22 The plan shall identify how spending levels in the 2003-2005 biennium
23 will be adjusted to stay within available federal grant levels and the
24 appropriated state-fund levels; and

25 ~~((c) Include an urban adjustment factor for child care providers
26 in urban areas of region 1.))~~

27 (2) (~~(\$45,639,000)~~) \$57,547,000 of the general fund--state
28 appropriation for fiscal year 2004 and (~~(\$39,335,000)~~) \$59,953,000 of
29 the general fund--state appropriation for fiscal year 2005 are provided
30 solely for cash assistance and other services to recipients in the
31 general assistance--unemployable program. Within these amounts, the
32 department may expend funds for services that assist recipients to
33 reduce their dependence on public assistance, provided that
34 expenditures for these services and cash assistance do not exceed the
35 funds provided.

36 (3) (~~(\$1,436,000)~~) \$936,000 of the general fund--state
37 appropriation for fiscal year 2004 and (~~(\$1,436,000)~~) \$936,000 of the
38 general fund--state appropriation for fiscal year 2005 are provided for

1 the department to assist in naturalization efforts for legal aliens
2 whose eligibility for federal supplemental security income has expired.
3 The department shall use funding previously spent on general assistance
4 employment supports for these naturalization services.

5 (4) \$3,940,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$3,940,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the food assistance program
8 for legal immigrants. The level of benefits shall be equivalent to the
9 benefits provided by the federal food stamp program.

10 (5) \$9,142,000 of the general fund--federal appropriation is
11 provided solely for increased reimbursement of county legal-clerk
12 services for child support enforcement. The department shall ensure
13 this increase in cost does not reduce federal incentive payments.

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

21 (7) \$1,250,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely for the department to maintain specialized
23 employment services through the WorkFirst/LEP pathway program for
24 refugees and other limited-English-proficient (LEP) families and
25 individuals that receive temporary assistance for needy families, state
26 family assistance, or refugee cash assistance benefits. These
27 employment services include but are not limited to English as a second
28 language (ESL), job placement assistance, and work support services.

29 (8) \$96,000 of the general fund--state appropriation for fiscal
30 year 2005, \$16,000 of the general fund--federal appropriation, and
31 \$11,000 of the general fund--local appropriation are provided solely
32 for the implementation of Engrossed Senate Bill No. 6411 (reducing
33 hunger), including section 2 of the act. If the bill is not enacted by
34 June 30, 2004, the amounts provided in this section shall lapse.

35 (9) \$500,000 of the general fund--state appropriation for fiscal
36 year 2005 is provided solely for a subsidy rate increase for child care
37 providers in urban areas of region 1.

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

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
4 **ABUSE PROGRAM**

| | | |
|----|---|--------------------------------|
| 5 | General Fund--State Appropriation (FY 2004) | ((\$40,320,000)) |
| 6 | | <u>\$39,979,000</u> |
| 7 | General Fund--State Appropriation (FY 2005) | ((\$40,320,000)) |
| 8 | | <u>\$41,201,000</u> |
| 9 | General Fund--Federal Appropriation | ((\$90,632,000)) |
| 10 | | <u>\$94,105,000</u> |
| 11 | General Fund--Private/Local Appropriation | \$630,000 |
| 12 | Public Safety and Education Account--State | |
| 13 | Appropriation | ((\$7,160,000)) |
| 14 | | <u>\$2,060,000</u> |
| 15 | Criminal Justice Treatment Account--State | |
| 16 | Appropriation | \$8,950,000 |
| 17 | Violence Reduction and Drug Enforcement Account-- | |
| 18 | State Appropriation | ((\$44,342,000)) |
| 19 | | <u>\$49,142,000</u> |
| 20 | <u>Problem Gambling Treatment Account--State</u> | |
| 21 | <u>Appropriation</u> | <u>\$500,000</u> |
| 22 | TOTAL APPROPRIATION | ((\$232,354,000)) |
| 23 | | <u>\$236,567,000</u> |

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

26 (1) \$966,197 of the general fund--state appropriation for fiscal
27 year 2004 and \$966,197 of the general fund-- state appropriation for
28 fiscal year 2005 are provided solely for the parent child assistance
29 program. The department shall contract with the University of
30 Washington and community-based providers in Spokane and Yakima for the
31 provision of this program. For all contractors, indirect charges for
32 administering the program shall not exceed ten percent of the total
33 contract amount.

34 (2) \$250,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided for the Washington state mentoring partnership.

36 (3) \$500,000 of the problem gambling treatment account
37 appropriation is provided solely to implement Second Substitute House

1 Bill No. 2776 (problem gambling). If the bill is not enacted by June
2 30, 2004, the amount provided in this subsection shall lapse.

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

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
6 **PROGRAM**

| | | |
|----|--|----------------------------------|
| 7 | General Fund--State Appropriation (FY 2004) | ((\$1,184,774,000)) |
| 8 | | <u>\$1,119,073,000</u> |
| 9 | General Fund--State Appropriation (FY 2005) | ((\$1,265,423,000)) |
| 10 | | <u>\$1,248,580,000</u> |
| 11 | General Fund--Federal Appropriation | ((\$3,764,258,000)) |
| 12 | | <u>\$3,892,248,000</u> |
| 13 | General Fund--Private/Local Appropriation | ((\$262,736,000)) |
| 14 | | <u>\$278,296,000</u> |
| 15 | Emergency Medical Services and Trauma Care Systems | |
| 16 | Trust Account--State Appropriation | ((\$23,700,000)) |
| 17 | | <u>\$14,004,000</u> |
| 18 | Health Services Account--State Appropriation | ((\$756,012,000)) |
| 19 | | <u>\$708,854,000</u> |
| 20 | TOTAL APPROPRIATION | ((\$7,256,903,000)) |
| 21 | | <u>\$7,261,055,000</u> |

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

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

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

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

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

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

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

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

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

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

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

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

34 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,953,000
35 of the fiscal year 2004 health services account appropriation,
36 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services
37 account appropriation, and (~~(\$87,074,000)~~) \$61,037,000 of the general
38 fund--federal appropriation are provided solely for supplemental

1 payments to nursing homes operated by rural public hospital districts.
2 The payments shall be conditioned upon (a) a contractual commitment by
3 the association of public hospital districts and participating rural
4 public hospital districts to make an intergovernmental transfer to the
5 state treasurer, for deposit into the health services account, equal to
6 at least (~~(94.5)~~) 91.9 percent of the supplemental payments; (b) a
7 contractual commitment by the association of public hospital districts
8 to return at least (~~(5.5)~~) 8.1 percent of the supplemental payments to
9 the participating rural hospital districts; and (c) a contractual
10 commitment by the participating districts to not allow expenditures
11 covered by the supplemental payments to be used for medicaid nursing
12 home rate setting. A hospital which does not participate in the
13 supplemental payment intergovernmental transfer budgeted for fiscal
14 year 2003 shall not be eligible to participate in the supplemental
15 payments budgeted in this subsection for fiscal year(~~(s)~~) 2004 (~~and~~
16 ~~2005~~). The participating districts shall retain no more than a total
17 of \$9,600,000 for the 2003-05 biennium.

18 (9) (~~(\$14,616,000)~~) \$12,318,000 of the health services account
19 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$10,738,000 of the
20 health services account appropriation for fiscal year 2005, and
21 (~~(\$27,010,000)~~) \$23,056,000 of the general fund--federal appropriation
22 are provided solely for additional disproportionate share and medicare
23 upper payment limit payments to public hospital districts and to the
24 state's teaching hospitals. The payments shall be conditioned upon a
25 contractual commitment by the participating public hospitals to make an
26 intergovernmental transfer to the health services account equal to at
27 least 91 percent of the additional payments. The state's teaching
28 hospitals shall retain at least 28 percent of the amounts retained by
29 hospitals under these programs, or the maximum allowable under the
30 teaching hospitals' limits as established under federal rule, whichever
31 is less.

32 (10) (~~(\$3,100,000)~~) \$3,178,000 of the health services account
33 appropriation, (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local
34 appropriation, and (~~(\$11,516,000)~~) \$7,308,000 of the general fund--
35 federal appropriation are provided solely for grants to rural
36 hospitals. The department shall distribute the funds under a formula
37 that provides a relatively larger share of the available funding to
38 hospitals that (a) serve a disproportionate share of low-income and

1 medically indigent patients and (b) have relatively smaller net
2 financial margins, to the extent allowed by the federal medicaid
3 program.

4 (11) (~~(\$26,080,000)~~) \$36,002,000 of the health services account
5 appropriation and \$26,080,000 of the general fund--federal
6 appropriation are provided solely for grants to nonrural hospitals.
7 The department shall distribute the funds under a formula that provides
8 a relatively larger share of the available funding to hospitals that
9 (a) serve a disproportionate share of low-income and medically indigent
10 patients and (b) have relatively smaller net financial margins, to the
11 extent allowed by the federal medicaid program.

12 (~~(13) \$156,000~~) (12) \$302,000 of the general fund--state
13 appropriation for fiscal year 2004, \$1,671,000 of the general fund--
14 state appropriation for fiscal year 2005, and (~~(\$1,403,000)~~)
15 \$17,757,000 of the general fund--federal appropriation are provided
16 solely for (~~(a study to assess alternatives for replacing the existing~~
17 ~~medicaid management information system. The department shall report to~~
18 ~~the information services board and to the fiscal committees of the~~
19 ~~legislature by December 1, 2003, on the anticipated costs and benefits~~
20 ~~of the major alternative approaches)~~) development and implementation of
21 a replacement system for the existing medicaid management information
22 system. The medicaid management information system replacement project
23 shall comply with section 902, chapter 25, Laws of 2003 1st sp. sess.

24 (~~(14)~~) (13) The department shall implement a combination of cost
25 containment and utilization strategies sufficient to reduce general
26 fund--state costs for durable medical equipment and supplies in fiscal
27 year 2005 by approximately 5 percent below the level projected for
28 fiscal year 2005 in the February 2003 forecast. In designing
29 strategies, the primary strategy considered shall be selective or
30 direct contracting with durable medical equipment and supplies vendors
31 or manufacturers.

32 (~~(15)~~) (14) The department shall, within available resources,
33 design and implement a medical care services care management pilot
34 project for clients receiving general assistance benefits. The pilot
35 project shall be operated in at least two of the counties with the
36 highest concentration of general assistance clients, and may use a full
37 or partial capitation model. In designing the project, the department
38 shall consult with the mental health division and its managed care

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

6 ~~((+16+))~~ (15) Within available resources and to the extent
7 possible, the department shall evaluate and pilot a nurse consultant
8 services program to assist fee-for-service clients in accessing medical
9 information, with the goal of reducing administrative burdens on
10 physicians and unnecessary emergency room utilization.

11 ~~((+17+))~~ (16) The department shall include in any pending medicaid
12 reform section 1115 waiver application, or in any existing section 1115
13 waiver, a request for authorization to provide optional medicaid
14 services that have been eliminated in this act to American Indian and
15 Alaska Native persons as defined in relevant federal law who are
16 eligible for medicaid only to the extent that such services are
17 provided through the American Indian health system and are financed
18 with one hundred percent federal medicaid matching funds.

19 ~~((+18+))~~ (17) The department shall establish managed care rates
20 within available funds(~~(, giving specific consideration to each plan's~~
21 ~~programmatic and financial performance, and ability to assure access in~~
22 ~~under served areas)~~), in a manner that promotes health plan efficiency,
23 encourages continuity of service, and assures access in underserved
24 areas.

25 ~~((+19+))~~ (18) The department of social and health services, the
26 office of the superintendent of public instruction, and the department
27 of health should jointly identify opportunities for early intervention
28 and prevention activities that can help prevent disease and reduce oral
29 health issues among children. Disease prevention among infants at the
30 age of one year and among children entering the K-12 education system
31 provides cost-effective ways to avoid higher health care spending later
32 in life.

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

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

1 2004, (~~(\$10,779,000)~~) \$8,454,000 of the general fund--state
2 appropriation for fiscal year 2005, and (~~(\$37,753,000)~~) \$30,588,000 of
3 the general fund--federal appropriation are provided solely to provide
4 prenatal care services to low-income women who are not eligible to
5 receive such services under the medical assistance program, Title XIX
6 of the federal social security act. If the department is unable to
7 secure federal matching funds under Title XXI of the social security
8 act, the department shall take all actions necessary to manage the
9 program within these appropriated levels.

10 (21) \$13,588,000 of the health services account appropriation for
11 fiscal year 2004, \$11,008,000 of the health services account
12 appropriation for fiscal year 2005, and \$24,595,000 of the general
13 fund--federal appropriation are provided solely for additional
14 disproportionate share hospital payments to public hospital districts.
15 The payments shall be conditioned upon a contractual commitment by the
16 participating hospital districts to make an intergovernmental transfer
17 to the health services account equal to at least 86.5 percent of the
18 additional disproportionate share payment. The participating districts
19 shall retain no more than \$6,607,000 of the total additional amount
20 paid.

21 (22) \$10,000,000 of the general fund--federal and \$10,000,000 of
22 the general fund--local funds are provided solely to increase payments
23 in the inpatient upper payment limit program for the state's teaching
24 hospitals. Payments shall be made to the extent allowable under
25 federal medicaid rule and law. The department shall work with the
26 teaching hospitals to identify allowable sources of funding for the
27 required match and to assure that the teaching hospitals are
28 responsible for repayment of any disallowed federal matching funds.

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

31 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
32 **REHABILITATION PROGRAM**

| | | |
|----|---|-------------------------------|
| 33 | General Fund--State Appropriation (FY 2004) | ((\$10,180,000)) |
| 34 | | <u>\$10,172,000</u> |
| 35 | General Fund--State Appropriation (FY 2005) | ((\$10,202,000)) |
| 36 | | <u>\$10,191,000</u> |
| 37 | General Fund--Federal Appropriation | ((\$85,803,000)) |

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

4 (c) Review opportunities for state employees to continue caring for
5 clients by assisting them in developing privately operated community
6 residential alternatives. In conducting the review, the department
7 will examine efforts in this area pursued by other states as part of
8 institutional downsizing efforts;

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

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

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

25 (3) \$100,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$100,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for a contract for expanded
28 services of the teamchild project.

29 (4) \$900,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$900,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the continued implementation
32 of the juvenile violence prevention grant program established in
33 section 204, chapter 309, Laws of 1999.

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

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

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

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

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

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

36 ((+5)) (7) The administrator shall take at least the following
37 actions to assure that persons participating in the basic health plan
38 are eligible for the level of assistance they receive: (a) Require

1 submission of (i) income tax returns, and recent pay history, from all
2 applicants, or (ii) other verifiable evidence of earned and unearned
3 income from those persons not required to file income tax returns; (b)
4 check employment security payroll records at least once every twelve
5 months on all enrollees; (c) require enrollees whose income as
6 indicated by payroll records exceeds that upon which their subsidy is
7 based to document their current income as a condition of continued
8 eligibility; (d) require enrollees for whom employment security payroll
9 records cannot be obtained to document their current income at least
10 once every six months; (e) not reduce gross family income for self-
11 employed persons by noncash-flow expenses such as, but not limited to,
12 depreciation, amortization, and home office deductions, as defined by
13 the United States internal revenue service; and (f) pursue repayment
14 and civil penalties from persons who have received excessive subsidies,
15 as provided in RCW 70.47.060(9).

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

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

26 (b) Improve the capacity for electronic billing and claims
27 submission and provide electronic access to eligibility, benefits, and
28 exclusion information;

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

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

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

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, record-keeping, and travel related to
18 cholinesterase medical monitoring of farm workers who handle
19 cholinesterase-inhibiting pesticides.

20 (4) The department shall report to the office of financial
21 management and the appropriate fiscal and policy committees of the
22 legislature detailed information regarding administrative staffing
23 levels and services by October 1, 2004, and prior to implementing phase
24 II of the indirect cost study.

25 (5) \$399,000 of the accident account--state appropriation and
26 \$399,000 of the medical aid account--state appropriation are provided
27 solely for the expansion of workers' compensation fraud investigation
28 activities. The department shall report quarterly to the office of
29 financial management and the appropriate policy and fiscal committees
30 of the legislature regarding the cost effectiveness of fraud
31 activities, including the total dollars expended compared to total
32 dollars recovered.

33 **Sec. 215.** 2003 1st sp.s. c 25 s 219 (uncodified) is amended to
34 read as follows:

35 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

36 (1) HEADQUARTERS

37 General Fund--State Appropriation (FY 2004) (~~\$1,527,000~~)

1 \$1,531,000
2 General Fund--State Appropriation (FY 2005) ((~~\$1,528,000~~))
3 \$1,536,000
4 Charitable, Educational, Penal, and Reformatory
5 Institutions Account--State
6 Appropriation \$11,000
7 TOTAL APPROPRIATION ((~~\$3,066,000~~))
8 \$3,078,000

9 (2) FIELD SERVICES
10 General Fund--State Appropriation (FY 2004) ((~~\$2,579,000~~))
11 \$2,588,000
12 General Fund--State Appropriation (FY 2005) ((~~\$2,579,000~~))
13 \$2,596,000
14 General Fund--Federal Appropriation \$309,000
15 General Fund--Private/Local Appropriation \$1,668,000
16 TOTAL APPROPRIATION ((~~\$7,135,000~~))
17 \$7,161,000

18 (3) INSTITUTIONAL SERVICES
19 General Fund--State Appropriation (FY 2004) ((~~\$7,473,000~~))
20 \$7,380,000
21 General Fund--State Appropriation (FY 2005) ((~~\$5,890,000~~))
22 \$6,020,000
23 General Fund--Federal Appropriation ((~~\$27,207,000~~))
24 \$27,365,000
25 General Fund--Private/Local Appropriation \$27,822,000
26 TOTAL APPROPRIATION ((~~\$68,392,000~~))
27 \$68,587,000

28 **Sec. 216.** 2003 1st sp.s. c 25 s 220 (uncodified) is amended to
29 read as follows:

30 **FOR THE HOME CARE QUALITY AUTHORITY**
31 General Fund--State Appropriation (FY 2004) ((~~\$412,000~~))
32 \$360,000
33 General Fund--State Appropriation (FY 2005) ((~~\$259,000~~))
34 \$471,000
35 TOTAL APPROPRIATION ((~~\$671,000~~))
36 \$831,000

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

3 (1) (~~(\$150,000)~~) \$98,000 of the general fund--state appropriation
4 for fiscal year 2004 (~~is~~) and \$212,000 of the general fund--state
5 appropriation for fiscal year 2005 are provided solely for the design
6 and development of (~~the~~) a home care provider referral registry
7 (~~mandated by Initiative Measure No. 775~~) as provided in RCW
8 74.39A.250. The authority and the department of social and health
9 services shall jointly report to the fiscal committees of the
10 legislature by December 1, 2004, with options for operating the
11 regional and local components of the registry through cooperative
12 agreements with area agencies on aging and/or the department's home and
13 community services offices. The options shall identify the costs and
14 benefits associated with several alternative levels of ongoing
15 operational funding, at least one of which shall be to operate the
16 registry within current levels of state and federal funding for the
17 regional and local offices.

18 (2) Pursuant to RCW 74.39A.300(1), the legislature (~~rejects~~)
19 rejected the collective bargaining agreement entered into by the home
20 care quality authority and the exclusive bargaining representative of
21 individual providers on January 13, 2003, under chapter 74.39A RCW
22 (Initiative Measure No. 775).

23 **Sec. 217.** 2003 1st sp.s. c 25 s 221 (uncodified) is amended to
24 read as follows:

25 **FOR THE DEPARTMENT OF HEALTH**

| | | |
|----|--|--------------------------------|
| 26 | General Fund--State Appropriation (FY 2004) | ((\$58,143,000)) |
| 27 | | <u>\$57,853,000</u> |
| 28 | General Fund--State Appropriation (FY 2005) | ((\$60,224,000)) |
| 29 | | <u>\$60,346,000</u> |
| 30 | Health Services Account--State Appropriation | ((\$34,289,000)) |
| 31 | | <u>\$36,989,000</u> |
| 32 | General Fund--Federal Appropriation | ((\$348,897,000)) |
| 33 | | <u>\$392,762,000</u> |
| 34 | General Fund--Private/Local Appropriation | \$93,601,000 |
| 35 | Hospital Commission Account--State | |
| 36 | Appropriation | \$2,490,000 |
| 37 | Health Professions Account--State | |

| | | |
|----|---|--------------------------------|
| 1 | Appropriation | ((\$40,097,000)) |
| 2 | | <u>\$40,285,000</u> |
| 3 | Emergency Medical Services and Trauma Care Systems | |
| 4 | Trust Account--State Appropriation | \$12,558,000 |
| 5 | Safe Drinking Water Account--State | |
| 6 | Appropriation | \$2,728,000 |
| 7 | Drinking Water Assistance Account--Federal | |
| 8 | Appropriation | ((\$13,498,000)) |
| 9 | | <u>\$15,654,000</u> |
| 10 | Waterworks Operator Certification--State | |
| 11 | Appropriation | ((\$633,000)) |
| 12 | | <u>\$1,053,000</u> |
| 13 | <u>Drinking Water Assistance Administrative Account--</u> | |
| 14 | <u>State Appropriation</u> | <u>\$326,000</u> |
| 15 | Water Quality Account--State Appropriation | \$3,359,000 |
| 16 | Accident Account--State Appropriation | \$258,000 |
| 17 | Medical Aid Account--State Appropriation | \$46,000 |
| 18 | State Toxics Control Account--State | |
| 19 | Appropriation | \$2,761,000 |
| 20 | Medical Test Site Licensure Account--State | |
| 21 | Appropriation | \$1,718,000 |
| 22 | Youth Tobacco Prevention Account--State | |
| 23 | Appropriation | \$1,806,000 |
| 24 | Tobacco Prevention and Control Account--State | |
| 25 | Appropriation | \$52,510,000 |
| 26 | TOTAL APPROPRIATION | ((\$729,616,000)) |
| 27 | | <u>\$779,103,000</u> |

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

30 (1) The department or any successor agency is authorized to raise
31 existing fees charged for health care assistants, commercial shellfish
32 paralytic shellfish poisoning, commercial shellfish licenses, (~~and~~)
33 newborn screening programs, psychiatrically impaired children and youth
34 residential treatment, and in-home services in excess of the fiscal
35 growth factor established by Initiative Measure No. 601, if necessary,
36 to meet the actual costs of conducting business and the appropriation
37 levels in this section.

1 (2) \$1,337,000 of the general fund--state fiscal year 2004
2 appropriation and \$1,338,000 of the general fund--state fiscal year
3 2005 appropriation are provided solely for the implementation of the
4 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
5 DOH-03, and DOH-04.

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

22 (4) (~~(\$21,650,000)~~) \$24,350,000 of the health services account--
23 state appropriation is provided solely for the state's program of
24 universal access to essential childhood vaccines. The department shall
25 utilize all available federal funding before expenditure of these
26 funds.

27 (5) \$2,984,000 of the general fund--local appropriation is provided
28 solely for development and implementation of an internet-based system
29 for preparing and retrieving death certificates as provided in
30 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
31 vital records).

32 (6) The department of social and health services, the office of the
33 superintendent of public instruction, and the department of health
34 should jointly identify opportunities for early intervention and
35 prevention activities that can help prevent disease and reduce oral
36 health issues among children. Disease prevention among infants at the
37 age of one year and among children entering the K-12 education system

1 provides cost-effective ways to avoid higher health care spending later
2 in life.

3 (7) \$92,000 of the general fund--state appropriation for fiscal
4 year 2004, \$19,000 of the general fund--state appropriation for fiscal
5 year 2005, and \$987,000 of the general fund--local appropriation are
6 provided solely for implementation of Substitute House Bill No. 1338
7 (municipal water rights). If Substitute House Bill No. 1338 is not
8 enacted by June 30, 2003, the amounts provided in this subsection shall
9 lapse.

10 (8) \$188,000 of the health professions account--state appropriation
11 is provided solely to increase the regulation of sales of precursor
12 drugs that are often used to illegally manufacture methamphetamine to
13 implement Senate Bill No. 6478 (ephedrine). If the bill is not enacted
14 by June 30, 2004, the amount provided in this subsection shall lapse.

15 (9) \$25,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely to develop and implement best practices in
17 preventative health care for children. The department and the kids get
18 care program of public health - Seattle and King county will work in
19 collaboration with local health care agencies to disseminate strategic
20 interventions that are focused on evidence-based best practices for
21 improving health outcomes in children and saving health care costs. A
22 report shall be provided to the appropriate committees of the
23 legislature by June 30, 2005, on the program effectiveness and cost
24 savings. This funding shall be matched by an equal amount of local
25 funding.

26 (10) \$250,000 of the general fund--state appropriation for fiscal
27 year 2005 is provided solely for the department to implement a
28 multiyear pilot project in Yakima county for persons with household
29 income at or below 200 percent of the federal poverty level who are
30 ineligible for family planning services through the medicaid program.
31 Individuals who will be served under the pilot include women who have
32 never been pregnant, are not currently pregnant, or are beyond the
33 family planning extension period allowed for first steps program
34 eligibility. It is anticipated that the pilot project will serve
35 approximately 1,000 women annually. The department will provide a
36 preliminary report to the appropriate committees of the legislature by
37 December 1, 2005.

1 (3) COMMUNITY SUPERVISION

| | | |
|---|---|--------------------------------|
| 2 | General Fund--State Appropriation (FY 2004) | ((\$73,952,000)) |
| 3 | | <u>\$87,626,000</u> |
| 4 | General Fund--State Appropriation (FY 2005) | ((\$74,200,000)) |
| 5 | | <u>\$88,564,000</u> |
| 6 | Public Safety and Education | |
| 7 | Account--State Appropriation | \$15,492,000 |
| 8 | TOTAL APPROPRIATION | ((\$163,644,000)) |
| 9 | | <u>\$191,682,000</u> |

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

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

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

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

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

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

35 (iii) The pilot project shall test the system using sex or
36 kidnapping offenders under the jurisdiction of the department of
37 corrections and persons civilly committed under chapter 71.09 RCW under
38 a variety of supervision circumstances. Offenders included in the

1 pilot project shall be offenders who have been classified as level
2 three offenders by the end of sentence review committee and over whom
3 the department of corrections has authority to establish conditions of
4 supervision or persons who have been ordered to be electronically
5 monitored by the court in a proceeding under chapter 71.09 RCW and who
6 have been classified as level three offenders by the end of sentence
7 review committee.

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

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

15 (A) The availability of the technology, including a description of
16 the system used and a discussion of the various types of global
17 positioning system-based monitoring available and appropriate for a sex
18 offender population;

19 (B) Any geographic or weather-related limitations posed by the
20 technology;

21 (C) The reliability, including the false alarm rate of the
22 technology;

23 (D) Any training requirements for department of corrections staff
24 or supervised persons;

25 (E) Any distinctions in effectiveness or feasibility for different
26 supervision populations;

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

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

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

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

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

38 (4) CORRECTIONAL INDUSTRIES

1 General Fund--State Appropriation (FY 2004) \$626,000
 2 General Fund--State Appropriation (FY 2005) \$626,000
 3 TOTAL APPROPRIATION \$1,252,000

4 The appropriations in this subsection are subject to the following
 5 conditions and limitations: \$110,000 of the general fund--state
 6 appropriation for fiscal year 2004 and \$110,000 of the general fund--
 7 state appropriation for fiscal year 2005 are provided solely for
 8 transfer to the jail industries board. The board shall use the amounts
 9 provided only for administrative expenses, equipment purchases, and
 10 technical assistance associated with advising cities and counties in
 11 developing, promoting, and implementing consistent, safe, and efficient
 12 offender work programs.

13 (5) INTERAGENCY PAYMENTS

14 General Fund--State Appropriation (FY 2004) ((~~\$25,099,000~~))
 15 \$26,259,000
 16 General Fund--State Appropriation (FY 2005) ((~~\$25,134,000~~))
 17 \$26,288,000
 18 TOTAL APPROPRIATION ((~~\$50,233,000~~))
 19 \$52,547,000
 20

21 The appropriations in this subsection are subject to the following
 22 conditions and limitations: \$70,000 of the general fund--state
 23 appropriation for fiscal year 2005 is provided solely for the
 24 implementation of Engrossed Second Substitute Senate Bill No. 6489
 25 (correctional industries). If the bill is not enacted by June 30,
 26 2004, the amount provided in this subsection shall lapse.

27 **Sec. 219.** 2003 1st sp.s. c 25 s 226 (uncodified) is amended to
 28 read as follows:

29 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

30 General Fund--Federal Appropriation \$267,586,000
 31 General Fund--Private/Local Appropriation \$30,103,000
 32 Unemployment Compensation Administration Account--
 33 Federal Appropriation ((~~\$184,878,000~~))
 34 \$192,366,000
 35 Administrative Contingency Account--State
 36 Appropriation ((~~\$14,721,000~~))
 37 \$11,221,000

1 Employment Service Administrative Account--State
 2 Appropriation \$23,184,000
 3 TOTAL APPROPRIATION ((~~\$520,472,000~~))
 4 \$524,460,000

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

7 (1) \$100,000 of the administrative contingency account
 8 appropriation is provided solely to ((~~establish an advisory partnership~~
 9 ~~on the Washington manufacturing sector as outlined in Substitute House~~
 10 ~~Bill No. 2164 (manufacturing advisory partnership) and recommended in~~
 11 ~~the report entitled manufacturing in Washington state, 1990-2002:~~
 12 ~~trends and implications for the industry and state))~~ the employment
 13 security department for manufacturing economic research and surveys
 14 with findings reported to relevant legislative committees, business,
 15 and labor.

16 (2) \$3,988,000 of the unemployment compensation administration
 17 account--federal appropriation is provided from funds made available to
 18 the state by section 903(d) of the Social Security Act (Reed Act).
 19 These funds are provided to replace obsolete information technology
 20 infrastructure.

21 (3) \$3,500,000 of the unemployment compensation administration
 22 account--federal appropriation is provided from funds made available to
 23 the state by section 903(d) of the Social Security Act (Reed Act).
 24 These funds are authorized for employer outreach activities, employment
 25 service activities, and to prevent, detect, and collect unemployment
 26 insurance benefit overpayments.

27 **Sec. 220.** 2003 1st sp.s. c 25 s 216 (uncodified) is amended to
 28 read as follows:

29 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**
 30 Municipal Criminal Justice Assistance Account--
 31 Local Appropriation \$460,000
 32 Death Investigations Account--State
 33 Appropriation \$148,000
 34 Public Safety and Education Account--State
 35 Appropriation ((~~\$18,078,000~~))
 36 \$18,153,000
 37 TOTAL APPROPRIATION ((~~\$18,686,000~~))

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

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

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

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

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

(5) \$25,000 of the public safety and education account appropriation is provided solely for allocation to the Washington association of sheriffs and police chiefs to coordinate jail and prison capacity and population projects with local governments, the sentencing guidelines commission, and the department of corrections. The association shall build on its existing work and that of the commission on regional jails and capacity issues, and may:

(a) Pursue options for regional jails where the cost is the same or lower than existing state and local corrections costs;

(b) Pursue options for the state to rent or purchase bed or facility space from local governments;

(c) Pursue options to manage population overcapacity and special populations; and

(d) Pursue options to develop better communication and information sharing processes between state and local correctional facilities.

The association shall provide an interim progress report to the

1 appropriate fiscal and policy committees of the legislature no later
2 than December 1, 2004.

3 (6) \$50,000 of the public safety and education account
4 appropriation is provided solely for the implementation of Engrossed
5 Substitute House Bill No. 2556 (criminal background checks). If the
6 bill is not enacted by June 30, 2004, the amount provided in this
7 subsection shall lapse.

8 **Sec. 221.** 2003 1st sp.s. c 25 s 225 (uncodified) is amended to
9 read as follows:

10 **FOR THE SENTENCING GUIDELINES COMMISSION**

| | | |
|----|---|-------------|
| 11 | General Fund--State Appropriation (FY 2004) | \$737,000 |
| 12 | General Fund--State Appropriation (FY 2005) | \$741,000 |
| 13 | TOTAL APPROPRIATION | \$1,478,000 |

14 The appropriations in this section are subject to the following
15 conditions and limitations: The sentencing guidelines commission shall
16 review the use, effectiveness, and cost effectiveness of sex offender
17 sentencing, including the special sex offender sentencing alternative
18 as follows:

19 (1) The review and evaluation shall include an analysis of whether
20 current sex offense sentencing ranges and standards, as well as
21 existing mandatory minimum sentences, existing sentence enhancements,
22 and the special sex offender sentencing alternative, are consistent
23 with the purposes of the sentencing reform act, as set out in RCW
24 9.94A.010, and the community protection act. The review in this area
25 may summarize findings of the sentencing study required by chapter 7,
26 Laws of 2001, and the work of the Washington state institute for public
27 policy, and shall not be duplicative.

28 (2) In conducting the review and evaluation, the commission shall
29 consult with the superior court judges' association, the Washington
30 association of prosecuting attorneys, the Washington defenders'
31 association, the Washington association of criminal defense lawyers,
32 the Washington association of sheriffs and police chiefs, the
33 Washington state institute for public policy, treatment providers,
34 organizations representing crime victims, and other organizations and
35 individuals with expertise and interest in sex offender sentencing
36 policy and treatment. To the extent possible within available
37 appropriations, the commission shall conduct open public hearings to

1 obtain input from the victims, families, advocates, and others.
2 Comments from the public shall be included in the report to the
3 legislature.

4 (3) Not later than December 1, 2004, the commission shall present
5 to the appropriate standing committees of the legislature the findings
6 of its review and evaluation, together with any recommendations for
7 revisions and modifications to sex offender sentencing and supervision
8 policy, including sentencing ranges and standards, mandatory minimum
9 sentences, sentencing alternatives, and sentence enhancements. If
10 implementation of the recommendations of the commission would result in
11 exceeding the capacity of local or state correctional facilities, the
12 commission shall also present the fiscal impact of proposed changes.

13 (4) If Engrossed Substitute House Bill No. 2400 (sex crimes against
14 minors) is enacted, the commission shall ensure that the study required
15 by the bill is coordinated with the study required by this act.

(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) | ((\$33,464,000)) |
| | <u>\$35,828,000</u> |
| General Fund--State Appropriation (FY 2005) | ((\$33,263,000)) |
| | <u>\$35,911,000</u> |
| General Fund--Federal Appropriation | \$57,143,000 |
| General Fund--Private/Local Appropriation | \$3,696,000 |
| Special Grass Seed Burning Research Account-- | |
| State Appropriation | \$14,000 |
| Reclamation Revolving Account--State | |
| Appropriation | \$2,760,000 |
| Flood Control Assistance Account-- | |
| State Appropriation | ((\$2,019,000)) |
| | <u>\$2,159,000</u> |
| State Emergency Water Projects Revolving Account-- | |
| State Appropriation | ((\$552,000)) |
| | <u>\$725,000</u> |
| Waste Reduction/Recycling/Litter Control Account-- | |
| State Appropriation | \$13,714,000 |
| State Drought Preparedness Account--State | |
| Appropriation | ((\$1,708,000)) |
| | <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>\$59,427,000</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 | | <u>\$25,741,000</u> |
| 10 | Underground Storage Tank Account--State | |
| 11 | Appropriation | \$2,710,000 |
| 12 | Environmental Excellence Account--State | |
| 13 | Appropriation | \$504,000 |
| 14 | Biosolids Permit Account--State Appropriation | \$784,000 |
| 15 | Hazardous Waste Assistance Account--State | |
| 16 | Appropriation | ((\$4,185,000)) |
| 17 | | <u>\$4,535,000</u> |
| 18 | Air Pollution Control Account--State | |
| 19 | Appropriation | \$1,654,000 |
| 20 | Oil Spill Prevention Account--State | |
| 21 | Appropriation | ((\$7,745,000)) |
| 22 | | <u>\$7,889,000</u> |
| 23 | Air Operating Permit Account--State | |
| 24 | Appropriation | \$3,693,000 |
| 25 | Freshwater Aquatic Weeds Account--State | |
| 26 | Appropriation | \$2,503,000 |
| 27 | Oil Spill Response Account--State | |
| 28 | Appropriation | \$7,078,000 |
| 29 | Metals Mining Account--State Appropriation | \$19,000 |
| 30 | Water Pollution Control Revolving Account-- | |
| 31 | State Appropriation | ((\$380,000)) |
| 32 | | <u>\$387,000</u> |
| 33 | Water Pollution Control Revolving Account-- | |
| 34 | Federal Appropriation | ((\$1,867,000)) |
| 35 | | <u>\$1,901,000</u> |
| 36 | TOTAL APPROPRIATION | ((\$301,337,000)) |
| 37 | | <u>\$308,042,000</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)~~) \$730,000 of the general fund--state
22 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,270,000 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) \$144,000 of the oil spill prevention account--state
9 appropriation is provided solely to implement the provisions of
10 Substitute Senate Bill No. 6641 (oil spills). If the bill is not
11 enacted by June 30, 2004, the amount provided in this subsection shall
12 lapse.

13 (10) \$536,000 of the water quality permit account--state
14 appropriation is provided solely to implement the provisions of
15 Engrossed Substitute Senate Bill No. 6415 (storm water discharge
16 permits). If the bill is not enacted by June 30, 2004, the amount
17 provided in this subsection shall lapse.

18 (11) \$218,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely to implement the provisions of Engrossed
20 Second Substitute Senate Bill No. 5957 (water quality data). If the
21 bill is not enacted by June 30, 2004, the amounts provided in this
22 subsection shall lapse.

23 (12) \$100,000 of the general fund--state appropriation for fiscal
24 year 2005 is provided solely to support the initial phase of the
25 federal United States Geological Survey study of the Spokane
26 Valley-Rathdrum Prairie aquifer.

27 (13) \$65,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely to implement Engrossed Substitute House
29 Bill No. 2488 (electronic products). If the bill is not enacted by
30 June 30, 2004, the amounts provided in this subsection shall lapse.

31 (14) \$1,043,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for (a) establishing instream flows by
33 rule for main stem rivers and their key tributaries. In watersheds
34 where planning is not being conducted pursuant to chapter 90.82 RCW,
35 the department shall follow the procedures and applicable requirements
36 of chapters 90.22 and 90.54 RCW, and shall create a process of public
37 involvement similar to that of a watershed planning unit under the
38 provisions of chapter 90.82 RCW, in order to ensure that citizens are

1 informed and afforded the opportunity to participate in the development
2 of instream flow recommendations in collaboration with the department;
3 (b) working with counties that have existing geographic information
4 systems to map existing water rights and document current ownership and
5 evaluating alternative administrative systems for determining existing
6 water rights; and (c) assigning one water master to a basin that has
7 been adjudicated.

8 (15) \$2,500,000 of the general fund--state appropriation for fiscal
9 year 2004 is provided solely for a one-time payment to settle all
10 claims in a suit against the state in the *Envirotest v. Department of*
11 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.

12 (16) \$350,000 of the hazardous waste assistance account
13 appropriation is provided solely for rulemaking to require closure
14 plans, liability coverage, and financial assurances for hazardous waste
15 management facilities.

16 (17) \$300,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely to assist in watershed planning efforts.
18 Of this amount, \$200,000 is provided solely for mediation efforts with
19 the Lummi nation to pursue resolution of federal and tribal rights to
20 water in Washington state consistent with comprehensive state water
21 resources planning under chapter 90.54 RCW and \$100,000 is provided
22 solely for coordination and staff support for the Nisqually river
23 council watershed initiative program.

24 (18)(a) \$166,000 of the general fund--state appropriation for
25 fiscal year 2005 is provided solely for rulemaking and development of
26 chemical action plans for persistent bioaccumulative toxins. Of this
27 amount:

28 (i) \$83,000 is provided solely for the development of a chemical
29 action plan for the chemical compounds known as PBDE (polybrominated
30 diphenyl ethers); and

31 (ii) \$83,000 is provided solely for rulemaking to develop specific
32 criteria by which chemicals may be included on a persistent
33 bioaccumulative toxins list, develop a specific list of persistent
34 bioaccumulative toxins and establish criteria for selecting chemicals
35 for chemical action plans. The department shall develop the criteria
36 and list consistent with the administrative procedure act provided
37 under chapter 34.05 RCW and shall not adopt the rule prior to the
38 adjournment of the 2005 legislative session. The department shall make

1 recommendations to the legislature by December 31, 2004, regarding
2 future funding alternatives to address persistent bioaccumulative
3 toxins.

4 (b) \$159,000 of the state toxics control account appropriation is
5 provided solely to implement the mercury chemical action plan. Of this
6 amount: (i) \$84,000 is provided for development of a memorandum of
7 understanding with the Washington state hospital association and the
8 auto recyclers of Washington to ensure the safe removal and disposal of
9 products containing mercury; and (ii) \$75,000 is provided for ongoing
10 fluorescent lamp recycling.

11 Any pesticide with a valid registration on or after the effective
12 date of this act issued by the environmental protection agency under
13 the federal insecticide, fungicide and rodenticide act, 7 U.S.C. 136 et
14 seq., or any fertilizer regulated under the Washington fertilizer act,
15 chapter 15.54 RCW, shall not be included in a persistent
16 bioaccumulative toxin rulemaking process, list, or chemical action plan
17 undertaken by the department of ecology.

18 (19) \$120,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely for a wetland mitigation banking pilot
20 project. The department shall work with representatives from involved
21 state agencies, the army corps of engineers, business, mitigation
22 banking organizations, and environmental organizations to develop and
23 implement a wetland banking rule. The department shall report to the
24 appropriate committees of the legislature on the progress of the rule
25 by December 2004.

26 (20) Within the amounts appropriated in this section the department
27 shall convene and provide staff support for a water resources
28 administration and funding task force. The task force shall develop
29 proposals for and recommend several options for funding the state's
30 water resource programs, including both operating programs and capital
31 costs for water program implementation. The task force must report its
32 findings and recommendations to the governor and the appropriate
33 committees of the legislature by December 15, 2004. The task force
34 shall include representatives of each of the following interests,
35 selected by the associations representing those interests:

36 (i) One representative from each of the following interests:
37 Agriculture, industry, environmental, fisheries, water utilities, and
38 power utilities;

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) | (\$1,256,000) |
| 23 | | <u>\$1,381,000</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 | (\$24,260,000) |
| 33 | | <u>\$24,510,000</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 **Sec. 304.** 2003 1st sp.s. c 25 s 305 (uncodified) is amended to
33 read as follows:

34 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

| | | |
|----|---|----------------------------|
| 35 | General Fund--State Appropriation (FY 2004) | ((\$923,000)) |
| 36 | | <u>\$934,000</u> |
| 37 | General Fund--State Appropriation (FY 2005) | ((\$960,000)) |

1 \$998,000
 2 TOTAL APPROPRIATION ((~~\$1,883,000~~))
 3 \$1,932,000

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

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

12 **FOR THE CONSERVATION COMMISSION**

13 General Fund--State Appropriation (FY 2004) \$2,234,000
 14 General Fund--State Appropriation (FY 2005) \$2,245,000
 15 Water Quality Account--State Appropriation ((~~\$2,162,000~~))
 16 \$2,412,000
 17 TOTAL APPROPRIATION ((~~\$6,641,000~~))
 18 \$6,891,000

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

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

25 (2) \$118,000 of the general fund--state appropriation for fiscal
 26 year 2004 and \$121,000 of the general fund--state appropriation for
 27 fiscal year 2005 are provided solely to implement Engrossed Second
 28 Substitute House Bill No. 1418 (drainage infrastructure), chapter 391,
 29 Laws of 2003.

30 (3) \$250,000 of the water quality account--state appropriation is
 31 provided solely for grants to conservation districts. Grants shall
 32 provide for education, outreach, and technical assistance programs to
 33 assist owners and operators of concentrated animal feeding operations
 34 with compliance issues related to federal concentrated animal feeding
 35 operations requirements and the department of agriculture's livestock
 36 nutrient management program.

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

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

| | | |
|----|---|-------------------------------|
| 4 | General Fund--State Appropriation (FY 2004) | ((\$41,453,000)) |
| 5 | | <u>\$41,600,000</u> |
| 6 | General Fund--State Appropriation (FY 2005) | ((\$40,179,000)) |
| 7 | | <u>\$40,584,000</u> |
| 8 | General Fund--Federal Appropriation | ((\$31,632,000)) |
| 9 | | <u>\$40,316,000</u> |
| 10 | General Fund--Private/Local Appropriation | ((\$24,300,000)) |
| 11 | | <u>\$29,420,000</u> |
| 12 | Off Road Vehicle Account--State | |
| 13 | Appropriation | \$501,000 |
| 14 | Aquatic Lands Enhancement Account--State | |
| 15 | Appropriation | \$5,620,000 |
| 16 | Public Safety and Education Account--State | |
| 17 | Appropriation | \$562,000 |
| 18 | Recreational Fisheries Enhancement Account-- | |
| 19 | State Appropriation | ((\$3,392,000)) |
| 20 | | <u>\$3,467,000</u> |
| 21 | Warm Water Game Fish Account--State | |
| 22 | Appropriation | \$2,568,000 |
| 23 | Eastern Washington Pheasant Enhancement Account-- | |
| 24 | State Appropriation | \$750,000 |
| 25 | Wildlife Account--State Appropriation | ((\$57,138,000)) |
| 26 | | <u>\$58,922,000</u> |
| 27 | Wildlife Account--Federal Appropriation | ((\$38,216,000)) |
| 28 | | <u>\$29,532,000</u> |
| 29 | Wildlife Account--Private/Local | |
| 30 | Appropriation | ((\$15,158,000)) |
| 31 | | <u>\$10,038,000</u> |
| 32 | ((Game)) Special Wildlife Account--State | |
| 33 | Appropriation | ((\$1,949,000)) |
| 34 | | <u>\$2,068,000</u> |
| 35 | ((Game)) Special Wildlife Account--Federal | |
| 36 | Appropriation | ((\$9,598,000)) |
| 37 | | <u>\$8,720,000</u> |
| 38 | ((Game)) Special Wildlife Account--Private/Local | |

| | | |
|----|--|--------------------------------|
| 1 | Appropriation | ((\$350,000)) |
| 2 | | <u>\$450,000</u> |
| 3 | Environmental Excellence Account--State | |
| 4 | Appropriation | \$15,000 |
| 5 | Regional Fisheries Salmonid Recovery Account-- | |
| 6 | Federal Appropriation | \$1,750,000 |
| 7 | Oil Spill Prevention Account--State | |
| 8 | Appropriation | \$981,000 |
| 9 | Oyster Reserve Land Account--State | |
| 10 | Appropriation | ((\$137,000)) |
| 11 | | <u>\$411,000</u> |
| 12 | TOTAL APPROPRIATION | ((\$276,249,000)) |
| 13 | | <u>\$278,275,000</u> |

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

16 (1) \$1,355,714 of the general fund--state appropriation for fiscal
17 year 2004, \$1,355,713 of the general fund--state appropriation for
18 fiscal year 2005, and \$402,000 of the wildlife account--state
19 appropriation are provided solely for the implementation of the Puget
20 Sound work plan and agency action items DFW-01 through DFW-06.

21 (2) \$225,000 of the general fund--state appropriation for fiscal
22 year 2004, \$225,000 of the general fund--state appropriation for fiscal
23 year 2005, and \$550,000 of the wildlife account--state appropriation
24 are provided solely for the implementation of hatchery reform
25 recommendations defined by the hatchery scientific review group.

26 (3) ((~~\$850,000~~)) \$1,016,000 of the wildlife account--state
27 appropriation is provided solely for stewardship and maintenance needs
28 on agency-owned lands and water access sites.

29 (4) \$900,000 of the wildlife fund--state appropriation is provided
30 solely for wetland restoration activities for migratory waterfowl by
31 providing landowner incentives to create or maintain waterfowl habitat
32 and management activities.

33 (5) \$2,000,000 of the aquatic lands enhancement account
34 appropriation is provided for cooperative volunteer projects.

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

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

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

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

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

16 (10) \$43,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$42,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for staffing and operation of the
19 Tennant Lake interpretive center.

20 (11) \$80,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$77,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely to implement Second Substitute
23 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
24 2003.

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

31 (13) \$110,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$110,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for economic adjustment assistance
34 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

35 (14) The department shall emphasize enforcement of laws related to
36 protection of fish habitat and the illegal harvest of salmon and
37 steelhead. Within the amount provided for the agency, the department

1 shall provide support to the department of health to enforce state
2 shellfish harvest laws.

3 (15) \$75,000 of the recreational fisheries enhancement account and
4 \$75,000 of the state wildlife account--state appropriation are provided
5 solely to implement additional selective recreational fisheries to
6 include one additional fishery each in eastern and western Washington.
7 The department shall determine the eastern Washington fishery, and the
8 western Washington fishery shall be for Lake Washington sockeye.

9 (16) \$16,000 of the wildlife account--state appropriation is
10 provided solely for implementation of Substitute House Bill No. 2621
11 (razor clam license). If the bill is not enacted by June 30, 2004, the
12 amount provided in this subsection shall lapse.

13 (17) \$417,000 of the wildlife account--state appropriation is
14 provided solely to implement Substitute House Bill No. 2431 (Dungeness
15 crab card). If the bill is not enacted by June 30, 2004, the amount
16 provided in this subsection shall lapse.

17 (18) \$112,000 of the general fund--state appropriation for fiscal
18 year 2005 is provided solely to buy back purse seine fishing licenses.

19 (19) \$180,000 of the wildlife account--state appropriation is
20 provided solely to test deer and elk for chronic wasting disease and to
21 document the extent of swan lead poisoning. Of this amount, \$65,000 is
22 provided solely to document the extent of swan lead poisoning and to
23 begin environmental cleanup.

24 (20) \$122,000 of the wildlife account--state appropriation is
25 provided solely to reimburse the department of natural resources for
26 fire suppression costs incurred on department of fish and wildlife
27 lands.

28 (21) \$150,000 of the general fund--state appropriation for fiscal
29 year 2005 and \$150,000 of the wildlife account--state appropriation are
30 provided solely to complete phase II of the contract management system
31 (CAPS). The CAPS system phase II shall be operational no later than
32 June 30, 2005.

33 (22) From within existing funding, the department shall provide a
34 report to the appropriate committees of the legislature identifying
35 options for reducing future allocations for the harvest of salmon in
36 the event that a group's actual catch exceeds a current allocation.
37 The report shall identify any statutory changes that would be required
38 to implement such an accountability system.

1 (23) \$50,000 of the general fund--state appropriation for fiscal
 2 year 2005 is provided solely for lease payments for the Vancouver
 3 hatchery staff residence and for the development of plans for an
 4 educational facility in cooperation with the Columbia Springs
 5 environmental education center.

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

8 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

| | | |
|----|---|-------------------------------|
| 9 | General Fund--State Appropriation (FY 2004) | ((\$30,307,000)) |
| 10 | | <u>\$54,189,000</u> |
| 11 | General Fund--State Appropriation (FY 2005) | ((\$34,233,000)) |
| 12 | | <u>\$36,554,000</u> |
| 13 | General Fund--Federal Appropriation | ((\$3,809,000)) |
| 14 | | <u>\$5,116,000</u> |
| 15 | General Fund--Private/Local Appropriation | \$2,482,000 |
| 16 | Forest Development Account--State | |
| 17 | Appropriation | ((\$52,060,000)) |
| 18 | | <u>\$52,075,000</u> |
| 19 | Off Road Vehicle Account--State | |
| 20 | Appropriation | ((\$4,028,000)) |
| 21 | | <u>\$4,029,000</u> |
| 22 | Surveys and Maps Account--State | |
| 23 | Appropriation | ((\$2,760,000)) |
| 24 | | <u>\$2,761,000</u> |
| 25 | Aquatic Lands Enhancement Account--State | |
| 26 | Appropriation | ((\$6,884,000)) |
| 27 | | <u>\$8,925,000</u> |
| 28 | Resources Management Cost Account--State | |
| 29 | Appropriation | ((\$70,391,000)) |
| 30 | | <u>\$70,418,000</u> |
| 31 | Surface Mining Reclamation Account--State | |
| 32 | Appropriation | \$2,293,000 |
| 33 | Disaster Response Account--State Appropriation | \$7,200,000 |
| 34 | <u>State Toxic Control Account--State Appropriation</u> | <u>\$750,000</u> |
| 35 | Water Quality Account--State Appropriation | \$2,479,000 |
| 36 | Aquatic Land Dredged Material Disposal Site | |
| 37 | Account--State Appropriation | \$1,311,000 |

| | | |
|----|---|--------------------------------|
| 1 | Natural Resource Conservation Areas Stewardship | |
| 2 | Account Appropriation | \$83,000 |
| 3 | Air Pollution Control Account--State | |
| 4 | Appropriation | \$526,000 |
| 5 | Agricultural College Trust Management Account | |
| 6 | Appropriation | \$1,868,000 |
| 7 | Derelict Vessel Removal Account--State | |
| 8 | Appropriation | \$1,130,000 |
| 9 | TOTAL APPROPRIATION | ((\$223,844,000)) |
| 10 | | <u>\$254,189,000</u> |

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

13 (1) \$18,000 of the general fund--state appropriation for fiscal
14 year 2004, \$18,000 of the general fund--state appropriation for fiscal
15 year 2005, and \$1,006,950 of the aquatic lands enhancement account
16 appropriation are provided solely for the implementation of the Puget
17 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

18 (2) \$908,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$910,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for deposit into the agricultural
21 college trust management account and are provided solely to manage
22 approximately 70,700 acres of Washington State University's
23 agricultural college trust lands.

24 (3) ((~~\$1,158,000~~)) \$24,674,000 of the general fund--state
25 appropriation for fiscal year 2004, \$8,358,000 of the general fund--
26 state appropriation for fiscal year 2005, and \$7,200,000 of the
27 disaster response account--state appropriation are provided solely for
28 emergency fire suppression. These funds shall not be allocated to
29 cover any portion of agency indirect and administrative expenses. The
30 legislature finds that general fund and disaster response account
31 support for emergency fire suppression is a significant and direct
32 subsidy of the costs to administer and manage various trust lands. It
33 would be an unintended additional subsidy if a portion of the general
34 fund and disaster response account amounts provided in this subsection
35 were used to fund agency indirect and administrative expenses. To
36 avoid this unintended additional subsidy, agency indirect and
37 administrative costs shall be allocated among the agency's remaining
38 accounts and appropriations.

1 (4) \$582,000 of the aquatic lands enhancement account appropriation
2 is provided solely for spartina control.

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

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

11 (7) Authority to expend funding for acquisition of technology
12 equipment and software associated with development of a new revenue
13 management system is conditioned on compliance with section 902 of this
14 act.

15 (8) \$1,000,000 of the aquatic lands enhancement account--state
16 appropriation is provided solely for the department to meet its
17 obligations with the U.S. environmental protection agency for the
18 clean-up of Commencement Bay.

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

27 ~~(10))~~ The department of natural resources shall provide a report
28 to the appropriate committees of the legislature, the office of
29 financial management, and the board of natural resources concerning the
30 costs and effectiveness of the contract harvesting program as
31 authorized by Second Substitute Senate Bill No. 5074 (contract
32 harvesting), chapter 313, Laws of 2003. The report shall be submitted
33 by December 31, 2006, and shall include the following information:

- 34 (a) Number of sales conducted through contract harvesting;
35 (b) For each sale conducted, the (i) number of board feet sold;
36 (ii) stumpage and pond prices; (iii) difference in revenues received
37 compared to revenues that would have accrued through noncontract
38 harvest sales, and the distribution of revenues to the contract

1 harvesting revolving account, and to applicable management and trust
2 accounts; and (iv) total cost to conduct the contract harvest, by fund
3 and object of expenditure; and

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

5 ~~((+11+))~~ (10) \$208,000 of the general fund--state appropriation of
6 fiscal year 2004 and \$70,000 of the general fund--state appropriation
7 for fiscal year 2005 are provided solely to implement Second Substitute
8 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
9 2003.

10 ~~((+12+))~~ (11) The department of natural resources shall not close
11 Sahara Creek facility, campground, or trailhead. The appropriations in
12 this section are deemed sufficient to provide service for these
13 recreational opportunities.

14 ~~((+13+))~~ (12) \$4,000 of the general fund--state appropriation for
15 fiscal year 2004 and \$4,000 of the general fund--state appropriation
16 for fiscal year 2005 are provided solely to compensate the forest board
17 trust for a portion of the lease to the Crescent television improvement
18 district consistent with RCW 79.12.055.

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

33 ~~((+15+))~~ (14) \$265,000 of the aquatic lands enhancement account
34 appropriation is provided solely for developing a pilot project to
35 study the feasibility of geoduck aquaculture on both intertidal and
36 subtidal lands in the state of Washington.

37 (15) \$60,000 of the general fund--state appropriation for fiscal

1 year 2004 is provided solely for habitat restoration work in the Loomis
2 natural resource area.

3 (16) \$200,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for providing public access to camp sites
5 and trails maintained by the department. This additional funding,
6 along with existing funding from the off road vehicle account is
7 intended to fully fund current access to camp sites and trails. If
8 additional funding is required to avoid closures to camp sites and
9 trails during the 2003-05 biennium, the department shall reduce
10 expenditures for agency administration by five percent and redeploy
11 those general fund resources to the recreation program prior to closing
12 any camp sites or trails.

13 (17) \$40,000 of the aquatic lands enhancement account appropriation
14 is provided solely for the department to (a) calculate the rent for
15 DNR-leased marinas based on a percentage of a marina's income and (b)
16 recommend an appropriate formula to the 2005 legislature.

17 (18)(a) \$2,000,000 of the general fund--state appropriation for
18 fiscal year 2005, \$750,000 of the state toxics control account--state
19 appropriation, and \$2,000,000 of the aquatic lands enhancement
20 account--state appropriation are provided solely for the purpose of
21 settling *Pacific Sound Resources v. Burlington Northern Santa Fe*
22 *Railroad, et al.* In the event: (i) A final settlement agreement is
23 not signed by the port of Seattle, Pacific Sound Resources, and the
24 department of natural resources by March 25, 2004; or (ii) the U.S.
25 environmental protection agency, or the department of justice if
26 necessary, fail to settle with the state and the department and provide
27 a covenant not to sue and contribution protection with no additional
28 consideration required, then \$550,000 of the general fund--state
29 appropriation for fiscal year 2005 shall be available to use to fund
30 the existing PSR litigation and the remainder of the amounts provided
31 in this subsection (a) shall lapse.

32 (b) \$300,000 of the general fund--state appropriation for fiscal
33 year 2004 is provided solely for legal defense costs in *Pacific Sound*
34 *Resources v. Burlington Northern Santa Fe Railroad et al.*

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

1 **FOR THE DEPARTMENT OF AGRICULTURE**

| | | |
|----|---|-------------------------------|
| 2 | General Fund--State Appropriation (FY 2004) | ((\$7,444,000)) |
| 3 | | <u>\$7,636,000</u> |
| 4 | General Fund--State Appropriation (FY 2005) | ((\$7,244,000)) |
| 5 | | <u>\$10,941,000</u> |
| 6 | General Fund--Federal Appropriation | \$10,068,000 |
| 7 | General fund--Private/Local Appropriation | \$1,110,000 |
| 8 | Aquatic Lands Enhancement Account--State | |
| 9 | Appropriation | ((\$1,942,000)) |
| 10 | | <u>\$2,027,000</u> |
| 11 | Water Quality Account--State Appropriation | \$692,000 |
| 12 | State Toxics Control Account--State | |
| 13 | Appropriation | ((\$2,580,000)) |
| 14 | | <u>\$2,780,000</u> |
| 15 | Water Quality Permit Account--State Appropriation | \$165,000 |
| 16 | TOTAL APPROPRIATION | ((\$31,245,000)) |
| 17 | | <u>\$35,419,000</u> |

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

20 (1) \$37,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$37,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for implementation of the Puget
23 Sound work plan and agency action item WSDA-01.

24 (2) Fees and assessments approved by the department in the 2003-05
25 biennium are authorized to exceed the fiscal growth factor under RCW
26 43.135.055.

27 (3) \$165,000 of the water quality permit account--state
28 appropriation and \$692,000 of the water quality account--state
29 appropriation are provided solely to implement Engrossed Substitute
30 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
31 2003.

32 (4) \$53,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$15,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely to implement Engrossed Substitute
35 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

36 (5) \$42,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$287,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for animal identification, food
2 safety, and commercial feed inspection programs.

3 (6) \$150,000 of the general fund--state appropriation for fiscal
4 year 2004 is provided solely for response costs to the discovery of
5 bovine spongiform encephalopathy in a Washington dairy cow.

6 (7) \$630,000 of the general fund--state appropriation for fiscal
7 year 2005 is provided solely for the "from the heart of Washington"
8 campaign, southeast Asia/China trade representatives, domestic
9 marketing/economic development, food and agriculture industry security,
10 and for the small farm and direct marketing program.

11 (8) \$85,000 of the aquatic lands enhancement account appropriation
12 is provided solely for spartina eradication efforts in Willapa Bay and
13 Grays Harbor.

14 (9) \$330,000 of the general fund--state appropriation for fiscal
15 year 2005 is provided solely to contract with Washington State
16 University for research and development activities related to asparagus
17 harvesting and automation technology.

18 (10) \$1,500,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely for the purchase of agricultural products
20 packing equipment. The department shall negotiate an appropriate
21 agreement with the agricultural industry for the use of the equipment.

(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) | ((\$4,986,000)) |
| | <u>\$5,141,000</u> |
| General Fund--State Appropriation (FY 2005) | ((\$4,988,000)) |
| | <u>\$5,225,000</u> |
| Architects' License Account--State | |
| Appropriation | ((\$696,000)) |
| | <u>\$706,000</u> |
| Cemetery Account--State Appropriation | ((\$235,000)) |
| | <u>\$249,000</u> |
| Professional Engineers' Account--State | |
| Appropriation | ((\$3,025,000)) |
| | <u>\$2,938,000</u> |
| Real Estate Commission Account--State Appropriation | ((\$7,111,000)) |
| | <u>\$7,048,000</u> |
| Master License Account--State Appropriation | ((\$9,110,000)) |
| | <u>\$8,920,000</u> |
| Uniform Commercial Code Account--State | |
| Appropriation | ((\$2,987,000)) |
| | <u>\$2,837,000</u> |
| Real Estate Education Account--State | |
| Appropriation | ((\$277,000)) |
| | <u>\$275,000</u> |
| Real Estate Appraisers Commission Account--State | |
| Appropriation | ((\$927,000)) |
| | <u>\$946,000</u> |
| Geologist's Account--State | |
| Appropriation | ((\$7,000)) |
| | <u>\$21,000</u> |
| Funeral Directors and Embalmers Account--State | |
| Appropriation | ((\$521,000)) |
| | <u>\$532,000</u> |

| | | |
|----|---|-------------------------------|
| 1 | Appropriation | ((\$20,852,000)) |
| 2 | | <u>\$21,969,000</u> |
| 3 | Enhanced 911 Account--State Appropriation | \$612,000 |
| 4 | County Criminal Justice Assistance Account--State | |
| 5 | Appropriation | \$2,649,000 |
| 6 | Municipal Criminal Justice Assistance Account-- | |
| 7 | State Appropriation | \$1,087,000 |
| 8 | Fire Service Trust Account--State | |
| 9 | Appropriation | \$125,000 |
| 10 | Fire Service Training Account--State | |
| 11 | Appropriation | \$7,374,000 |
| 12 | State Toxics Control Account--State | |
| 13 | Appropriation | \$436,000 |
| 14 | Violence Reduction and Drug Enforcement Account-- | |
| 15 | State Appropriation | \$286,000 |
| 16 | Fingerprint Identification Account--State | |
| 17 | Appropriation | ((\$4,405,000)) |
| 18 | | <u>\$5,393,000</u> |
| 19 | TOTAL APPROPRIATION | ((\$85,793,000)) |
| 20 | | <u>\$87,898,000</u> |

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

23 (1) \$750,000 of the fire service training account--state
24 appropriation is provided solely for the implementation of Senate Bill
25 No. 5176 (fire fighting training). If the bill is not enacted by June
26 30, 2003, the amount provided in this subsection shall lapse.

27 (2) \$200,000 of the fire service training account--state
28 appropriation is provided solely for two FTE's in the office of state
29 fire marshal to exclusively review K-12 construction documents for fire
30 and life safety in accordance with the state building code. It is the
31 intent of this appropriation to provide these services only to those
32 districts that are located in counties without qualified review
33 capabilities.

34 (3) \$376,000 of the public safety and education account--state
35 appropriation is provided solely for additional DNA testing kits.

36 (4) \$276,000 of the fingerprint identification account--state
37 appropriation is provided solely for the implementation of Substitute

1 House Bill No. 2532 (modifying commercial driver's license provisions).
2 If the bill is not enacted by June 30, 2004, the amount provided in
3 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) | ((\$11,772,000)) |
| | <u>\$11,615,000</u> |
| General Fund--State Appropriation (FY 2005) | ((\$11,761,000)) |
| | <u>\$11,846,000</u> |
| General Fund--Federal Appropriation | ((\$15,921,000)) |
| | <u>\$26,968,000</u> |
| TOTAL APPROPRIATION | ((\$39,454,000)) |
| | <u>\$50,429,000</u> |

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

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

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

1 (c) \$416,000 of the general fund--state appropriation for fiscal
2 year 2004 and (~~(\$416,000)~~) \$476,000 of the general fund--state
3 appropriation for fiscal year 2005 are provided solely for the
4 operation and expenses of the Washington professional educator
5 standards board. Within the amounts provided, the Washington
6 professional educator standards board (WPESB) shall submit a report
7 regarding specific implementation strategies to strengthen mathematics
8 initiatives by improving teacher knowledge and skill development
9 including: (i) Teacher preparation program approval standard changes;
10 (ii) teacher certification requirement changes and the development of
11 new expertise credentials; (iii) state-established standards to guide
12 the approval of professional development providers and offerings
13 related to mathematics; and (iv) other related recommendations. The
14 WPESB shall base the recommendations on determinations of the status of
15 teacher preparation and professional development opportunities and work
16 with appropriate parties. The WPESB shall submit the report to the
17 governor, superintendent of public instruction, state board of
18 education, and the education and fiscal committees of the legislature
19 by November 1, 2004.

20 (d) (~~(\$157,000 of the general fund--state appropriation for fiscal~~
21 ~~year 2004 and \$149,000))~~ \$130,000 of the general fund--state
22 appropriation for fiscal year 2005 (~~(are)~~) is provided solely for the
23 implementation of Second Engrossed Substitute Senate Bill No. 5012 or
24 Second Substitute House Bill No. 2295 (charter schools). If (~~(the)~~)
25 neither bill is (~~(not)~~) enacted by June 30, (~~(2003)~~) 2004, the
26 amount(~~(s)~~) provided in this subsection shall lapse.

27 (e) The department of social and health services, the office of the
28 superintendent of public instruction, and the department of health
29 should work together to identify opportunities for early intervention
30 and prevention activities that can help prevent disease and reduce oral
31 health issues among children. Disease prevention among infants at the
32 age of one year and among children entering the K-12 education system
33 provide cost-effective ways to avoid higher health spending later in
34 life.

35 (f) \$44,000 of the general fund--state appropriation for fiscal
36 year 2005 is provided solely to implement Substitute Senate Bill No.
37 6171 (complaints against school employees) or Second Substitute Senate

1 Bill No. 5533 (disclosure of misconduct). If neither bill is enacted
2 by June 30, 2004, the amount provided in this subsection shall lapse.

3 (2) STATEWIDE PROGRAMS

| | | |
|----|---|-------------------------------|
| 4 | General Fund--State Appropriation (FY 2004) | ((\$8,966,000)) |
| 5 | | <u>\$8,676,000</u> |
| 6 | General Fund--State Appropriation (FY 2005) | ((\$9,345,000)) |
| 7 | | <u>\$9,885,000</u> |
| 8 | General Fund--Federal Appropriation | ((\$66,405,000)) |
| 9 | | <u>\$61,656,000</u> |
| 10 | TOTAL APPROPRIATION | ((\$84,716,000)) |
| 11 | | <u>\$80,217,000</u> |

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

15 (a) HEALTH AND SAFETY

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

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

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

37 (B) The superintendent of public instruction shall participate in
38 a school safety center advisory committee that includes representatives

1 of educators, classified staff, principals, superintendents,
2 administrators, the American society for industrial security, the state
3 criminal justice training commission, and others deemed appropriate and
4 approved by the school safety center advisory committee. Members of
5 the committee shall be chosen by the groups they represent. In
6 addition, the Washington association of sheriffs and police chiefs
7 shall appoint representatives of law enforcement to participate on the
8 school safety center advisory committee. The advisory committee shall
9 select a chair.

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

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

19 (A) The criminal justice training commission with assistance of the
20 school safety center advisory committee established in section
21 2(b)(iii) of this section shall develop manuals and curricula for a
22 training program for all school safety personnel.

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

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

32 (~~(vi)~~) (v) A maximum of \$146,000 of the general fund--state
33 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
34 general fund--state appropriation for fiscal year 2005 are provided for
35 a nonviolence and leadership training program provided by the institute
36 for community leadership. The program shall provide the following:

37 (A) Statewide nonviolence leadership coaches training program for

1 certification of educational employees and community members in
2 nonviolence leadership workshops;

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

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

9 (b) TECHNOLOGY

10 A maximum of \$1,939,000 of the general fund--state appropriation
11 for fiscal year 2004 and a maximum of \$1,939,000 of the general fund--
12 state appropriation for fiscal year 2005 are provided for K-20
13 telecommunications network technical support in the K-12 sector to
14 prevent system failures and avoid interruptions in school utilization
15 of the data processing and video-conferencing capabilities of the
16 network. These funds may be used to purchase engineering and advanced
17 technical support for the network.

18 (c) GRANTS AND ALLOCATIONS

19 (i) (~~(\$306,000)~~) \$16,000 of the fiscal year 2004 appropriation and
20 \$689,000 of the fiscal year 2005 appropriation are provided solely for
21 the special services pilot projects provided by Second Substitute House
22 Bill No. 2012 (special services pilot program). The office of the
23 superintendent of public instruction shall allocate these funds to the
24 district or districts participating in the pilot program according to
25 the provisions of section 2 subsection (4) of Second Substitute House
26 Bill No. 2012, chapter 33, Laws of 2003.

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

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

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

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

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

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

19 (viii) \$500,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$500,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the Washington state achievers
22 scholarship program. The funds shall be used to support community
23 involvement officers that recruit, train, and match community volunteer
24 mentors with students selected as achievers scholars.

25 (ix) ((~~\$1,433,000~~) \$25,000 of the general fund--state
26 appropriation for fiscal year 2005 is provided solely for the school
27 safety center advisory committee to identify instructional materials
28 and resources for students, parents, and teachers that are designed to
29 prevent the abduction of children.

30 (x) \$75,000 of the general fund--state appropriation for fiscal
31 year 2005 is provided solely for deposit in the natural science,
32 wildlife, and environmental partnership account--state for the grant
33 program established in chapter 22, Laws of 2003 (ESHB 1466).

34 (xi) \$100,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely as one-time funding for the Washington
36 virtual classroom consortium administered by the Quillayute valley
37 school district.

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

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

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

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

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

16 (v) For class size reduction and expanded learning opportunities
17 under the better schools program, an additional 0.8 certificated
18 instructional staff units for the 2003-04 school year for grades K-4
19 per thousand full-time equivalent students. Funds allocated for these
20 additional certificated units shall not be considered as basic
21 education funding. The allocation may be used for reducing class sizes
22 in grades K-4 or to provide additional classroom contact hours for
23 kindergarten, before-and-after-school programs, weekend school
24 programs, summer school programs, and intercession opportunities to
25 assist elementary school students in meeting the essential academic
26 learning requirements and student assessment performance standards.
27 For purposes of this subsection, additional classroom contact hours
28 provided by teachers beyond the normal school day under a supplemental
29 contract shall be converted to a certificated full-time equivalent by
30 dividing the classroom contact hours by 900.

31 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
32 excess of the amount required to maintain the statutory minimum ratio
33 established under RCW 28A.150.260(2)(b) shall be allocated only if the
34 district documents an actual ratio in grades K-4 equal to or greater
35 than 54.0 certificated instructional staff per thousand full-time
36 equivalent students in the 2003-04 school year and 53.2 certificated
37 instructional staff per thousand full-time equivalent students in the
38 2004-05 school year. For any school district documenting a lower

1 certificated instructional staff ratio, the allocation shall be based
2 on the district's actual grades K-4 certificated instructional staff
3 ratio achieved in that school year, or the statutory minimum ratio
4 established under RCW 28A.150.260(2)(b), if greater;

5 (B) Districts at or above 51.0 certificated instructional staff per
6 one thousand full-time equivalent students in grades K-4 may dedicate
7 up to 1.3 of the 54.0 funding ratio in the 2003-04 school year, and up
8 to 1.3 of the 53.2 funding ratio in the 2004-05 school year, to employ
9 additional classified instructional assistants assigned to basic
10 education classrooms in grades K-4. For purposes of documenting a
11 district's staff ratio under this section, funds used by the district
12 to employ additional classified instructional assistants shall be
13 converted to a certificated staff equivalent and added to the
14 district's actual certificated instructional staff ratio. Additional
15 classified instructional assistants, for the purposes of this
16 subsection, shall be determined using the 1989-90 school year as the
17 base year;

18 (C) Any district maintaining a ratio in grades K-4 equal to or
19 greater than 54.0 certificated instructional staff per thousand full-
20 time equivalent students in the 2003-04 school year and 53.2
21 certificated instructional staff per thousand full-time equivalent
22 students in the 2004-05 school year may use allocations generated under
23 this subsection (2)(a)(iv) and (v) in excess of that required to
24 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to
25 employ additional basic education certificated instructional staff or
26 classified instructional assistants in grades 5-6. Funds allocated
27 under this subsection (2)(a)(iv) and (v) shall only be expended to
28 reduce class size in grades K-6. No more than 1.3 of the certificated
29 instructional funding ratio amount may be expended for provision of
30 classified instructional assistants;

31 (b) For school districts with a minimum enrollment of 250 full-time
32 equivalent students whose full-time equivalent student enrollment count
33 in a given month exceeds the first of the month full-time equivalent
34 enrollment count by 5 percent, an additional state allocation of 110
35 percent of the share that such increased enrollment would have
36 generated had such additional full-time equivalent students been
37 included in the normal enrollment count for that particular month;

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

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

5 (B) Skills center programs meeting the standards for skills center
6 funding established in January 1999 by the superintendent of public
7 instruction, 0.92 certificated instructional staff units and 0.08
8 certificated administrative units for each 16.67 full-time equivalent
9 vocational students;

10 (ii) Vocational full-time equivalent enrollment shall be reported
11 on the same monthly basis as the enrollment for students eligible for
12 basic support, and payments shall be adjusted for reported vocational
13 enrollments on the same monthly basis as those adjustments for
14 enrollment for students eligible for basic support; and

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

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

24 (i) For those enrolling no students in grades 7 and 8, 1.76
25 certificated instructional staff units and 0.24 certificated
26 administrative staff units for enrollment of not more than five
27 students, plus one-twentieth of a certificated instructional staff unit
28 for each additional student enrolled; and

29 (ii) For those enrolling students in grades 7 or 8, 1.68
30 certificated instructional staff units and 0.32 certificated
31 administrative staff units for enrollment of not more than five
32 students, plus one-tenth of a certificated instructional staff unit for
33 each additional student enrolled;

34 (e) For specified enrollments in districts enrolling more than
35 twenty-five but not more than one hundred average annual full-time
36 equivalent students in grades K-8, and for small school plants within
37 any school district which enroll more than twenty-five average annual

1 full-time equivalent students in grades K-8 and have been judged to be
2 remote and necessary by the state board of education:

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

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

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

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

18 (ii) For all other small high schools under this subsection, nine
19 certificated instructional staff units and one-half of a certificated
20 administrative staff unit for the first sixty average annual full time
21 equivalent students, and additional staff units based on a ratio of
22 0.8732 certificated instructional staff units and 0.1268 certificated
23 administrative staff units per each additional forty-three and one-half
24 average annual full time equivalent students.

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

29 (g) For each nonhigh school district having an enrollment of more
30 than seventy annual average full-time equivalent students and less than
31 one hundred eighty students, operating a grades K-8 program or a grades
32 1-8 program, an additional one-half of a certificated instructional
33 staff unit; and

34 (h) For each nonhigh school district having an enrollment of more
35 than fifty annual average full-time equivalent students and less than
36 one hundred eighty students, operating a grades K-6 program or a grades
37 1-6 program, an additional one-half of a certificated instructional
38 staff unit.

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

4 (a) For enrollments generating certificated staff unit allocations
5 under subsection (2)(d) through (h) of this section, one classified
6 staff unit for each three certificated staff units allocated under such
7 subsections;

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

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

15 (4) Fringe benefit allocations shall be calculated at a rate of
16 9.68 percent in the 2003-04 school year and (~~(9.68)~~) 9.69 percent in
17 the 2004-05 school year for certificated salary allocations provided
18 under subsection (2) of this section, and a rate of 12.25 percent in
19 the 2003-04 school year and 12.25 percent in the 2004-05 school year
20 for classified salary allocations provided under subsection (3) of this
21 section.

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

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

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

33 (6)(a) For nonemployee-related costs associated with each
34 certificated staff unit allocated under subsection (2)(a), (b), and (d)
35 through (h) of this section, there shall be provided a maximum of
36 \$8,785 per certificated staff unit in the 2003-04 school year and a
37 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05
38 school year.

1 (b) For nonemployee-related costs associated with each vocational
2 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
3 section, there shall be provided a maximum of \$21,573 per certificated
4 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)
5 \$21,746 per certificated staff unit in the 2004-05 school year.

6 (c) For nonemployee-related costs associated with each vocational
7 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
8 section, there shall be provided a maximum of \$16,739 per certificated
9 staff unit in the 2003-04 school year and a maximum of (~~(\$17,057)~~)
10 \$16,873 per certificated staff unit in the 2004-05 school year.

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

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

30 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
31 \$6,385,000 outside the basic education formula during fiscal years 2004
32 and 2005 as follows:

33 (a) For fire protection for school districts located in a fire
34 protection district as now or hereafter established pursuant to chapter
35 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
36 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year
37 2005;

1 (b) For summer vocational programs at skills centers, a maximum of
2 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
3 \$2,035,000 for the 2005 fiscal year;

4 (c) A maximum of (~~(\$353,000)~~) \$351,000 may be expended for school
5 district emergencies; and

6 (d) A maximum of \$485,000 each fiscal year may be expended for
7 programs providing skills training for secondary students who are
8 enrolled in extended day school-to-work programs, as approved by the
9 superintendent of public instruction. The funds shall be allocated at
10 a rate not to exceed \$500 per full-time equivalent student enrolled in
11 those programs.

12 (10) For purposes of RCW 84.52.0531, the increase per full-time
13 equivalent student is 3.4 percent from the 2002-03 school year to the
14 2003-04 school year and 2.5 percent from the 2003-04 school year to the
15 2004-05 school year.

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

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

24 (b) For the fourth through eighth school years following
25 consolidation, the difference between the basic education formula staff
26 units received by the districts for the school year prior to
27 consolidation and the basic education formula staff units after
28 consolidation pursuant to subsection (2)(a) through (h) of this section
29 shall be reduced in increments of twenty percent per year.

30 (12) (~~(\$159,000)~~) \$401,000 of the general fund--state appropriation
31 for fiscal year (~~(2004 and \$1,181,000 of the general fund state~~
32 ~~appropriation for fiscal year 2005 are)~~) 2005 is provided solely for
33 the implementation of Second Engrossed Substitute Senate Bill No. 5012
34 or Second Substitute House Bill No. 2295 (charter schools). If (~~the~~)
35 neither bill is (~~not~~) enacted by June 30, (~~(2003)~~) 2004, the
36 amount(~~s~~) provided in this subsection shall lapse.

1 **Sec. 503.** 2003 1st sp.s. c 25 s 503 (uncodified) is amended to
2 read as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION**
4 **EMPLOYEE COMPENSATION.** (1) The following calculations determine the
5 salaries used in the general fund allocations for certificated
6 instructional, certificated administrative, and classified staff units
7 under section 502 of this act:

8 (a) Salary allocations for certificated instructional staff units
9 shall be determined for each district by multiplying the district's
10 certificated instructional total base salary shown on LEAP Document 12E
11 by the district's average staff mix factor for certificated
12 instructional staff in that school year, computed using LEAP Document
13 1Sa for the 2003-04 school year and LEAP Document 1Sb for the 2004-05
14 school year; and

15 (b) Salary allocations for certificated administrative staff units
16 and classified staff units for each district shall be based on the
17 district's certificated administrative and classified salary allocation
18 amounts shown on LEAP Document 12E.

19 (2) For the purposes of this section:

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

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

30 (c) "LEAP Document 12E" means the computerized tabulation of 2003-
31 04 and 2004-05 school year salary allocations for certificated
32 administrative staff and classified staff and derived and total base
33 salaries for certificated instructional staff as developed by the
34 legislative evaluation and accountability program committee on March
35 31, 2003, at 09:06 hours.

36 (3) Incremental fringe benefit factors shall be applied to salary
37 adjustments at a rate of 9.04 percent for school year 2003-04 and

1 ((9-04)) 9.05 percent for school year 2004-05 for certificated staff
 2 and for classified staff 8.75 percent for school year 2003-04 and 8.75
 3 percent for the 2004-05 school year.

4 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
 5 allocation schedules for certificated instructional staff are
 6 established for basic education salary allocations:

7 K-12 Salary Allocation Schedule For Certificated Instructional Staff
 8 2003-04 School Year

| 9 | Years of | | | | | | | | | MA+90 |
|----|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 10 | Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | or PHD |
| 11 | | | | | | | | | | |
| 12 | 0 | 29,149 | 29,936 | 30,752 | 31,568 | 34,192 | 35,881 | 34,947 | 37,570 | 39,262 |
| 13 | 1 | 29,540 | 30,339 | 31,165 | 32,019 | 34,669 | 36,350 | 35,335 | 37,985 | 39,665 |
| 14 | 2 | 30,060 | 30,870 | 31,709 | 32,633 | 35,289 | 36,995 | 35,901 | 38,556 | 40,262 |
| 15 | 3 | 30,747 | 31,574 | 32,429 | 33,392 | 36,069 | 37,833 | 36,630 | 39,306 | 41,071 |
| 16 | 4 | 31,285 | 32,151 | 33,017 | 34,018 | 36,724 | 38,510 | 37,208 | 39,914 | 41,701 |
| 17 | 5 | 31,840 | 32,716 | 33,594 | 34,655 | 37,365 | 39,196 | 37,798 | 40,509 | 42,340 |
| 18 | 6 | 32,251 | 33,108 | 34,016 | 35,131 | 37,827 | 39,667 | 38,213 | 40,910 | 42,750 |
| 19 | 7 | 33,139 | 34,012 | 34,937 | 36,118 | 38,868 | 40,769 | 39,185 | 41,934 | 43,836 |
| 20 | 8 | 34,202 | 35,122 | 36,069 | 37,348 | 40,135 | 42,106 | 40,414 | 43,202 | 45,172 |
| 21 | 9 | | 36,272 | 37,266 | 38,591 | 41,443 | 43,481 | 41,656 | 44,510 | 46,548 |
| 22 | 10 | | | 38,477 | 39,898 | 42,788 | 44,894 | 42,964 | 45,855 | 47,960 |
| 23 | 11 | | | | 41,243 | 44,196 | 46,344 | 44,309 | 47,263 | 49,410 |
| 24 | 12 | | | | 42,545 | 45,642 | 47,854 | 45,707 | 48,708 | 50,921 |
| 25 | 13 | | | | | 47,123 | 49,401 | 47,154 | 50,189 | 52,467 |
| 26 | 14 | | | | | 48,611 | 51,006 | 48,644 | 51,775 | 54,073 |
| 27 | 15 | | | | | 49,876 | 52,333 | 49,908 | 53,121 | 55,479 |
| 28 | 16 or More | | | | | 50,873 | 53,379 | 50,906 | 54,183 | 56,588 |

29 K-12 Salary Allocation Schedule For Certificated Instructional Staff
 30 2004-05 School Year

| 31 | Years of | | | | | | | | | MA+90 |
|----|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 32 | Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | or PHD |
| 33 | | | | | | | | | | |
| 34 | 0 | 30,023 | 30,834 | 31,674 | 32,516 | 35,218 | 36,958 | 35,995 | 38,697 | 40,439 |
| 35 | 1 | 30,427 | 31,249 | 32,100 | 32,979 | 35,709 | 37,440 | 36,395 | 39,125 | 40,855 |

| | | | | | | | | | | |
|----|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | 2 | 30,812 | 31,642 | 32,502 | 33,449 | 36,171 | 37,920 | 36,798 | 39,520 | 41,269 |
| 2 | 3 | 31,209 | 32,047 | 32,916 | 33,893 | 36,610 | 38,401 | 37,180 | 39,895 | 41,687 |
| 3 | 4 | 31,598 | 32,473 | 33,347 | 34,358 | 37,091 | 38,895 | 37,580 | 40,313 | 42,118 |
| 4 | 5 | 32,000 | 32,879 | 33,762 | 34,829 | 37,552 | 39,392 | 37,987 | 40,711 | 42,551 |
| 5 | 6 | 32,413 | 33,273 | 34,186 | 35,306 | 38,016 | 39,866 | 38,404 | 41,114 | 42,963 |
| 6 | 7 | 33,139 | 34,012 | 34,937 | 36,118 | 38,868 | 40,769 | 39,185 | 41,934 | 43,836 |
| 7 | 8 | 34,202 | 35,122 | 36,069 | 37,348 | 40,135 | 42,106 | 40,414 | 43,202 | 45,172 |
| 8 | 9 | | 36,272 | 37,266 | 38,591 | 41,443 | 43,481 | 41,656 | 44,510 | 46,548 |
| 9 | 10 | | | 38,477 | 39,898 | 42,788 | 44,894 | 42,964 | 45,855 | 47,960 |
| 10 | 11 | | | | 41,243 | 44,196 | 46,344 | 44,309 | 47,263 | 49,410 |
| 11 | 12 | | | | 42,545 | 45,642 | 47,854 | 45,707 | 48,708 | 50,921 |
| 12 | 13 | | | | | 47,123 | 49,401 | 47,154 | 50,189 | 52,467 |
| 13 | 14 | | | | | 48,611 | 51,006 | 48,644 | 51,775 | 54,073 |
| 14 | 15 | | | | | 49,876 | 52,333 | 49,908 | 53,121 | 55,479 |
| 15 | 16 or More | | | | | 50,873 | 53,379 | 50,906 | 54,183 | 56,588 |

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

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

23 (i) Credits earned since receiving the masters degree; and

24 (ii) Any credits in excess of forty-five credits that were earned
25 after the baccalaureate degree but before the masters degree.

26 (5) For the purposes of this section:

27 (a) "BA" means a baccalaureate degree.

28 (b) "MA" means a masters degree.

29 (c) "PHD" means a doctorate degree.

30 (d) "Years of service" shall be calculated under the same rules
31 adopted by the superintendent of public instruction.

32 (e) "Credits" means college quarter hour credits and equivalent in-
33 service credits computed in accordance with RCW 28A.415.020 and
34 28A.415.023.

35 (6) No more than ninety college quarter-hour credits received by
36 any employee after the baccalaureate degree may be used to determine
37 compensation allocations under the state salary allocation schedule and

1 LEAP documents referenced in this act, or any replacement schedules and
2 documents, unless:

- 3 (a) The employee has a masters degree; or
- 4 (b) The credits were used in generating state salary allocations
5 before January 1, 1992.

6 (7) The certificated instructional staff base salary specified for
7 each district in LEAP Document 12E and the salary schedules in
8 subsection (4)(a) of this section include two learning improvement
9 days. A school district is eligible for the learning improvement day
10 funds only if the learning improvement days have been added to the 180-
11 day contract year. If fewer days are added, the additional learning
12 improvement allocation shall be adjusted accordingly. The additional
13 days shall be for activities related to improving student learning
14 consistent with education reform implementation, and shall not be
15 considered part of basic education. The length of a learning
16 improvement day shall not be less than the length of a full day under
17 the base contract. The superintendent of public instruction shall
18 ensure that school districts adhere to the intent and purposes of this
19 subsection.

20 (8) The salary allocation schedules established in this section are
21 for allocation purposes only except as provided in RCW 28A.400.200(2),
22 subsection (7) of this section, and section 504(1) of this act.

23 **Sec. 504.** 2003 1st sp.s. c 25 s 504 (uncodified) is amended to
24 read as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
26 **COMPENSATION ADJUSTMENTS**

| | | |
|----|---|--------------------------------|
| 27 | General Fund--State Appropriation (FY 2004) | ((\$28,511,000)) |
| 28 | | <u>\$28,604,000</u> |
| 29 | General Fund--State Appropriation (FY 2005) | ((\$116,670,000)) |
| 30 | | <u>\$132,202,000</u> |
| 31 | General Fund--Federal Appropriation | ((\$559,000)) |
| 32 | | <u>\$663,000</u> |
| 33 | TOTAL APPROPRIATION | ((\$145,740,000)) |
| 34 | | <u>\$161,469,000</u> |

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

1 (1) (~~(\$8,913,000)~~) \$8,944,000 of the general fund--state
2 appropriation for fiscal year 2004 and (~~(\$20,238,000)~~) \$20,339,000 of
3 the general fund--state appropriation for fiscal year 2005 are provided
4 solely to provide a salary adjustment for state formula certificated
5 instructional staff units in their first seven years of service.
6 Consistent with the statewide certificated instructional staff salary
7 allocation schedule in section 503 of this act, sufficient funding is
8 provided to increase the salary of certificated instructional staff
9 units in the 2003-04 school year and the 2004-05 school year by the
10 following percentages: Three percent for certificated instructional
11 staff in their first and second years of service; two and one-half
12 percent for certificated instructional staff in their third year of
13 service; one and one-half percent for certificated instructional staff
14 in their fourth year of service; one percent for certificated
15 instructional staff in their fifth year of service; and one-half of a
16 percent for certificated instructional staff in their sixth and seventh
17 years of service. These increases will take effect September 1, 2003
18 and September 1, 2004.

19 (a) In order to receive funding provided in this subsection, school
20 districts shall certify to the office of superintendent of public
21 instruction that they will provide the percentage increases in the
22 amounts specified in this subsection. In cases where a school district
23 providing the increases in the amounts specified in this subsection
24 would cause that school district to be out of compliance with RCW
25 28A.400.200, they may provide salary increases in different amounts but
26 only to the extent necessary to come into compliance with RCW
27 28A.400.200. Funds provided in this subsection shall be used
28 exclusively for providing the percentage increases specified in this
29 subsection to the certificated staff units in their first seven years
30 of service and shall not be used to supplant any other state or local
31 funding for compensation for these staff.

32 (b) The appropriations include associated incremental fringe
33 benefit allocations at rates of 9.04 percent for school year 2003-04
34 and (~~(9.04)~~) 9.05 percent for school year 2004-05 for certificated
35 staff. Increases for general apportionment (basic education) are based
36 on the salary allocation schedules and methodology in sections 502 and
37 503 of this act. Increases for special education result from increases
38 in each district's basic education allocation per student. Increases

1 for educational service districts and institutional education programs
2 are determined by the superintendent of public instruction using the
3 methodology for general apportionment salaries and benefits in sections
4 502 and 503 of this act.

5 (2) \$5,452,000 of the general fund--state appropriation is provided
6 solely to provide a salary adjustment for state formula classified
7 units of one percent effective September 1, 2004, and \$126,598,000 is
8 provided solely for adjustments to insurance benefit allocations.

9 (a)(i) In order to receive funding provided in this subsection for
10 salary adjustments for state formula classified units, school districts
11 shall certify to the office of superintendent of public instruction
12 that they will provide the percentage increases in the amounts
13 specified in this subsection. Funds provided in this subsection for
14 this purpose shall be used exclusively for providing the percentage
15 increases specified in this subsection to classified staff units and
16 shall not be used to supplant any other state or local funding for
17 compensation for these staff.

18 (ii) The appropriations include associated incremental fringe
19 benefit allocations at rates of 8.75 percent for the 2004-05 school
20 year for classified staff. The appropriations in this section include
21 the increased portion of salaries and incremental fringe benefits for
22 all relevant state-funded school programs in this part V of this act.
23 Increases for general apportionment (basic education) are based on the
24 salary allocation schedules and methodology in sections 502 and 503 of
25 this act. Increases for special education result from increases in
26 each district's basic education allocation per student. Increases for
27 educational service districts and institutional education programs are
28 determined by the superintendent of public instruction using the
29 methodology for general apportionment salaries and benefits in sections
30 502 and 503 of this act.

31 (b) The maintenance rate for insurance benefit allocations is
32 \$457.07 per month for the 2003-04 and 2004-05 school years. The
33 appropriations in this section provide for a rate increase to \$481.31
34 per month for the 2003-04 school year and \$582.47 per month for the
35 2004-05 school year.

36 (3) The appropriations in this section provide salary adjustments
37 and incremental fringe benefit allocations based on formula adjustments
38 as follows:

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

4 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
5 and a maximum of (~~(\$782,000)~~) \$774,000 of the fiscal year 2005
6 appropriation may be expended for regional transportation coordinators
7 and related activities. The transportation coordinators shall ensure
8 that data submitted by school districts for state transportation
9 funding shall, to the greatest extent practical, reflect the actual
10 transportation activity of each district.

11 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
12 fiscal year 2005 appropriation are provided solely for the
13 transportation of students enrolled in "choice" programs.
14 Transportation shall be limited to low-income students who are
15 transferring to "choice" programs solely for educational reasons.

16 (4) Allocations for transportation of students shall be based on
17 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school
18 year and (~~(\$39.43)~~) \$39.30 per weighted mile in the 2004-05 school year
19 exclusive of salary and benefit adjustments provided in section 504 of
20 this act. Allocations for transportation of students transported more
21 than one radius mile shall be based on weighted miles as determined by
22 superintendent of public instruction multiplied by the per mile
23 reimbursement rates for the school year pursuant to the formulas
24 adopted by the superintendent of public instruction. Allocations for
25 transportation of students living within one radius mile shall be based
26 on the number of enrolled students in grades kindergarten through five
27 living within one radius mile of their assigned school multiplied by
28 the per mile reimbursement rate for the school year multiplied by 1.29.

29 (5) (~~(Beginning with)~~) For busses purchased (~~(on or after)~~) between
30 July 1, 2003, and June 30, 2004, the office of superintendent of public
31 instruction shall provide reimbursement funding to a school district
32 only after the superintendent of public instruction determines that the
33 school bus was purchased from the list established pursuant to RCW
34 28A.160.195(2) or a comparable competitive bid process based on the
35 lowest price quote based on similar bus categories to those used to
36 establish the list pursuant to RCW 28A.160.195. The competitive
37 specifications shall meet federal motor vehicle safety standards,
38 minimum state specifications as established by rule by the

1 superintendent, and supported options as determined by the
2 superintendent in consultation with the regional transportation
3 coordinators of the educational service districts.

4 **Sec. 506.** 2003 1st sp.s. c 25 s 506 (uncodified) is amended to
5 read as follows:

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
7 **PROGRAMS**

| | | |
|----|---|----------------------------|
| 8 | General Fund--State Appropriation (FY 2004) | \$3,100,000 |
| 9 | General Fund--State Appropriation (FY 2005) | \$3,100,000 |
| 10 | General Fund--Federal Appropriation | (\$272,069,000) |
| 11 | | <u>\$252,128,000</u> |
| 12 | TOTAL APPROPRIATION | (\$278,269,000) |
| 13 | | <u>\$258,328,000</u> |

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

16 (1) \$3,000,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$3,000,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided for state matching money for federal
19 child nutrition programs.

20 (2) \$100,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
22 provided for summer food programs for children in low-income areas.

23 **Sec. 507.** 2003 1st sp.s. c 25 s 507 (uncodified) is amended to
24 read as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
26 **PROGRAMS**

| | | |
|----|---|------------------------------|
| 27 | General Fund--State Appropriation (FY 2004) | (\$433,984,000) |
| 28 | | <u>\$435,061,000</u> |
| 29 | General Fund--State Appropriation (FY 2005) | (\$427,214,000) |
| 30 | | <u>\$426,802,000</u> |
| 31 | General Fund--Federal Appropriation | (\$409,637,000) |
| 32 | | <u>\$426,450,000</u> |
| 33 | TOTAL APPROPRIATION | (\$1,270,835,000) |
| 34 | | <u>\$1,288,313,000</u> |

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

1 (1) Funding for special education programs is provided on an excess
2 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
3 that special education students as a class receive their full share of
4 the general apportionment allocation accruing through sections 502 and
5 504 of this act. To the extent a school district cannot provide an
6 appropriate education for special education students under chapter
7 28A.155 RCW through the general apportionment allocation, it shall
8 provide services through the special education excess cost allocation
9 funded in this section.

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

- 14 (i) Special education students are basic education students first;
- 15 (ii) As a class, special education students are entitled to the
16 full basic education allocation; and
- 17 (iii) Special education students are basic education students for
18 the entire school day.

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

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

25 (4) The superintendent of public instruction shall distribute state
26 and federal funds to school districts based on two categories: The
27 optional birth through age two program for special education eligible
28 developmentally delayed infants and toddlers, and the mandatory special
29 education program for special education eligible students ages three to
30 twenty-one. A "special education eligible student" means a student
31 receiving specially designed instruction in accordance with a properly
32 formulated individualized education program.

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

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

1 (ii) A district's annual average full-time equivalent basic
2 education enrollment multiplied by the funded enrollment percent
3 determined pursuant to subsection (6)(b) of this section, multiplied by
4 the district's average basic education allocation per full-time
5 equivalent student multiplied by 0.9309.

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

10 (6) The definitions in this subsection apply throughout this
11 section.

12 (a) "Annual average full-time equivalent basic education
13 enrollment" means the resident enrollment including students enrolled
14 through choice (RCW 28A.225.225) and students from nonhigh districts
15 (RCW 28A.225.210) and excluding students residing in another district
16 enrolled as part of an interdistrict cooperative program (RCW
17 28A.225.250).

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

22 Each district's general fund--state funded special education
23 enrollment shall be the lesser of the district's actual enrollment
24 percent or 12.7 percent. Increases in enrollment percent from 12.7
25 percent to 13.0 percent shall be funded from the general fund--federal
26 appropriation.

27 (7) At the request of any interdistrict cooperative of at least 15
28 districts in which all excess cost services for special education
29 students of the districts are provided by the cooperative, the maximum
30 enrollment percent shall be calculated in accordance with subsection
31 (6)(b) of this section, and shall be calculated in the aggregate rather
32 than individual district units. For purposes of this subsection, the
33 average basic education allocation per full-time equivalent student
34 shall be calculated in the aggregate rather than individual district
35 units.

36 (8) To the extent necessary, \$25,746,000 of the general fund--
37 federal appropriation is provided for safety net awards for districts
38 with demonstrated needs for state special education funding beyond the

1 amounts provided in subsection (5) of this section. If safety net
2 awards exceed the amount appropriated in this subsection (8), the
3 superintendent shall expend all available federal discretionary funds
4 necessary to meet this need. Safety net funds shall be awarded by the
5 state safety net oversight committee subject to the following
6 conditions and limitations:

7 (a) The committee shall consider unmet needs for districts that can
8 convincingly demonstrate that all legitimate expenditures for special
9 education exceed all available revenues from state funding formulas.
10 In the determination of need, the committee shall also consider
11 additional available revenues from federal and local sources.
12 Differences in program costs attributable to district philosophy,
13 service delivery choice, or accounting practices are not a legitimate
14 basis for safety net awards.

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

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

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

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

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

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

35 (a) One staff from the office of superintendent of public
36 instruction;

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

1 (c) One or more representatives from school districts or
2 educational service districts knowledgeable of special education
3 programs and funding.

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

9 (12) \$1,000,000 of the general fund--federal appropriation is
10 provided for projects to provide special education students with
11 appropriate job and independent living skills, including work
12 experience where possible, to facilitate their successful transition
13 out of the public school system. The funds provided by this subsection
14 shall be from federal discretionary grants.

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

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

29 (15) A school district may carry over from one year to the next
30 year up to 10 percent of the general fund--state funds allocated under
31 this program; however, carry over funds shall be expended in the
32 special education program.

33 **Sec. 508.** 2003 1st sp.s. c 25 s 508 (uncodified) is amended to
34 read as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
36 **DISTRICTS**

37 General Fund--State Appropriation (FY 2004) \$3,538,000

1 General Fund--State Appropriation (FY 2005) (~~(\$3,537,000)~~)
2 \$3,538,000
3 TOTAL APPROPRIATION (~~(\$7,075,000)~~)
4 \$7,076,000

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

7 (1) The educational service districts shall continue to furnish
8 financial services required by the superintendent of public instruction
9 and RCW 28A.310.190 (3) and (4).

10 (2) The educational service districts, at the request of the state
11 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
12 receive and screen applications for school accreditation, conduct
13 school accreditation site visits pursuant to state board of education
14 rules, and submit to the state board of education post-site visit
15 recommendations for school accreditation. The educational service
16 districts may assess a cooperative service fee to recover actual plus
17 reasonable indirect costs for the purposes of this subsection.

18 **Sec. 509.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to
19 read as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
21 **ASSISTANCE**

22 General Fund--State Appropriation (FY 2004) (~~(\$162,236,000)~~)
23 \$163,049,000
24 General Fund--State Appropriation (FY 2005) (~~(\$167,073,000)~~)
25 \$165,578,000
26 TOTAL APPROPRIATION (~~(\$329,309,000)~~)
27 \$328,627,000

28 **Sec. 510.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to
29 read as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
31 **EDUCATION PROGRAMS**

32 General Fund--State Appropriation (FY 2004) (~~(\$18,596,000)~~)
33 \$18,207,000
34 General Fund--State Appropriation (FY 2005) (~~(\$19,092,000)~~)
35 \$18,176,000
36 TOTAL APPROPRIATION (~~(\$37,688,000)~~)

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

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

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) ((~~\$279,000~~)) \$190,000 of the general fund--state appropriation for fiscal year 2004 and ((~~\$286,000~~)) \$142,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 511. 2003 1st sp.s. c 25 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2004) ((~~\$6,597,000~~))

| | | |
|---|---|-------------------------------|
| 1 | | <u>\$6,620,000</u> |
| 2 | General Fund--State Appropriation (FY 2005) | ((\$6,614,000)) |
| 3 | | <u>\$6,632,000</u> |
| 4 | TOTAL APPROPRIATION | ((\$13,211,000)) |
| 5 | | <u>\$13,252,000</u> |

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

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

11 (2) Allocations for school district programs for highly capable
12 students shall be distributed at a maximum rate of \$334.89 per funded
13 student for the 2003-04 school year and ((~~\$334.89~~)) \$334.91 per funded
14 student for the 2004-05 school year, exclusive of salary and benefit
15 adjustments pursuant to section 504 of this act. The number of funded
16 students shall be a maximum of two percent of each district's full-time
17 equivalent basic education enrollment.

18 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
19 the fiscal year 2005 appropriation are provided for the centrum program
20 at Fort Worden state park.

21 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
22 the fiscal year 2005 appropriation are provided for the Washington
23 destination imagination network and future problem-solving programs.

24 **Sec. 512.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to
25 read as follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
27 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
28 **THE NO CHILD LEFT BEHIND ACT**

| | | |
|----|---|-------------------------------|
| 29 | General Fund--Federal Appropriation | ((\$46,198,000)) |
| 30 | | <u>\$42,817,000</u> |

31 **Sec. 513.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to
32 read as follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
34 **PROGRAMS**

| | | |
|----|---|-------------------------------|
| 35 | General Fund--State Appropriation (FY 2004) | ((\$39,107,000)) |
| 36 | | <u>\$38,417,000</u> |

| | | |
|---|---|--------------------------------|
| 1 | General Fund--State Appropriation (FY 2005) | ((\$36,501,000)) |
| 2 | | <u>\$37,709,000</u> |
| 3 | General Fund--Federal Appropriation | ((\$128,402,000)) |
| 4 | | <u>\$164,087,000</u> |
| 5 | TOTAL APPROPRIATION | ((\$204,010,000)) |
| 6 | | <u>\$240,213,000</u> |

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

9 (1) \$310,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$310,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the academic achievement and
12 accountability commission.

13 (2) (~~(\$16,050,000)~~) \$15,486,000 of the general fund--state
14 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$13,103,000 of the
15 general fund--state appropriation for fiscal year 2005, and
16 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation
17 are provided solely for development and implementation of the
18 Washington assessments of student learning(~~(. Of the general fund--~~
19 ~~state amounts provided:~~

20 ~~(a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005~~
21 ~~are for providing high school students who are not successful in one or~~
22 ~~more content areas of the Washington assessment of student learning the~~
23 ~~opportunity to retake the test and \$75,000 of the fiscal year 2004~~
24 ~~appropriation is provided for developing alternative assessments as~~
25 ~~provided in Engrossed Substitute House Bill No. 2195 (state academic~~
26 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
27 ~~by June 30, 2003, the amounts in this subsection (a) shall lapse.~~

28 ~~(b) \$300,000 in fiscal year 2004 is for independent research on the~~
29 ~~alignment and technical review of the reading, writing, and science~~
30 ~~content areas of the Washington assessment of student learning, as~~
31 ~~provided by Engrossed Substitute House Bill No. 2195 (state academic~~
32 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
33 ~~by June 30, 2003, the amount in this subsection (b) shall lapse))~~
34 (WASL), including development and implementation of retake assessments
35 for high school students who are not successful in one or more content
36 areas of the WASL, development of alternative assessments or appeals
37 procedures to implement the certificate of academic achievement, and

1 independent research on the alignment and technical review of reading,
2 writing, and science.

3 (3) \$548,000 of the fiscal year 2004 general fund--state
4 appropriation and \$548,000 of the fiscal year 2005 general fund--state
5 appropriation are provided solely for training of paraprofessional
6 classroom assistants and certificated staff who work with classroom
7 assistants as provided in RCW 28A.415.310.

8 (4) \$2,348,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$2,348,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for mentor teacher assistance,
11 including state support activities, under RCW 28A.415.250 and
12 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
13 this subsection may be used each fiscal year to operate a mentor
14 academy to help districts provide effective training for peer mentors.
15 Funds for the teacher assistance program shall be allocated to school
16 districts based on the number of first year beginning teachers.

17 (a) A teacher assistance program is a program that provides to a
18 first year beginning teacher peer mentor services that include but are
19 not limited to:

20 (i) An orientation process and individualized assistance to help
21 beginning teachers who have been hired prior to the start of the school
22 year prepare for the start of a school year;

23 (ii) The assignment of a peer mentor whose responsibilities to the
24 beginning teacher include but are not limited to constructive feedback,
25 the modeling of instructional strategies, and frequent meetings and
26 other forms of contact;

27 (iii) The provision by peer mentors of strategies, training, and
28 guidance in critical areas such as classroom management, student
29 discipline, curriculum management, instructional skill, assessment,
30 communication skills, and professional conduct. A district may provide
31 these components through a variety of means including one-on-one
32 contact and workshops offered by peer mentors to groups, including
33 cohort groups, of beginning teachers;

34 (iv) The provision of release time, substitutes, mentor training in
35 observation techniques, and other measures for both peer mentors and
36 beginning teachers, to allow each an adequate amount of time to observe
37 the other and to provide the classroom experience that each needs to
38 work together effectively;

1 (v) Assistance in the incorporation of the essential academic
2 learning requirements into instructional plans and in the development
3 of complex teaching strategies, including strategies to raise the
4 achievement of students with diverse learning styles and backgrounds;
5 and

6 (vi) Guidance and assistance in the development and implementation
7 of a professional growth plan. The plan shall include a professional
8 self-evaluation component and one or more informal performance
9 assessments. A peer mentor may not be involved in any evaluation under
10 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
11 assisted through this program.

12 (b) In addition to the services provided in (a) of this subsection,
13 an eligible peer mentor program shall include but is not limited to the
14 following components:

15 (i) Strong collaboration among the peer mentor, the beginning
16 teacher's principal, and the beginning teacher;

17 (ii) Stipends for peer mentors and, at the option of a district,
18 for beginning teachers. The stipends shall not be deemed compensation
19 for the purposes of salary lid compliance under RCW 28A.400.200 and are
20 not subject to the continuing contract provisions of Title 28A RCW; and

21 (iii) To the extent that resources are available for this purpose
22 and that assistance to beginning teachers is not adversely impacted,
23 the program may serve second year and more experienced teachers who
24 request the assistance of peer mentors.

25 (5) \$1,959,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$1,959,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for improving technology
28 infrastructure, monitoring and reporting on school district technology
29 development, promoting standards for school district technology,
30 promoting statewide coordination and planning for technology
31 development, and providing regional educational technology support
32 centers, including state support activities, under chapter 28A.650 RCW.
33 The superintendent of public instruction shall coordinate a process to
34 facilitate the evaluation and provision of online curriculum courses to
35 school districts which includes the following: Creation of a general
36 listing of the types of available online curriculum courses; a survey
37 conducted by each regional educational technology support center of
38 school districts in its region regarding the types of online curriculum

1 courses desired by school districts; a process to evaluate and
2 recommend to school districts the best online courses in terms of
3 curriculum, student performance, and cost; and assistance to school
4 districts in procuring and providing the courses to students.

5 (6) \$3,594,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$3,594,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for grants to school districts to
8 provide a continuum of care for children and families to help children
9 become ready to learn. Grant proposals from school districts shall
10 contain local plans designed collaboratively with community service
11 providers. If a continuum of care program exists in the area in which
12 the school district is located, the local plan shall provide for
13 coordination with existing programs to the greatest extent possible.
14 Grant funds shall be allocated pursuant to RCW 70.190.040.

15 (7) \$2,500,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$2,500,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the meals for kids program
18 under RCW 28A.235.145 through 28A.235.155.

19 (8) \$705,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$705,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the leadership internship
22 program for superintendents, principals, and program administrators.

23 (9) A maximum of \$250,000 of the general fund--state appropriation
24 for fiscal year 2004 and a maximum of \$250,000 of the general fund--
25 state appropriation for fiscal year 2005 are provided for summer
26 accountability institutes offered by the superintendent of public
27 instruction and the academic achievement and accountability commission.
28 The institutes shall provide school district staff with training in the
29 analysis of student assessment data, information regarding successful
30 district and school teaching models, research on curriculum and
31 instruction, and planning tools for districts to improve instruction in
32 reading, mathematics, language arts, social studies, including civics,
33 and guidance and counseling.

34 (10) \$3,713,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$3,713,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for the Washington reading corps
37 subject to the following conditions and limitations:

1 (a) Grants shall be allocated to schools and school districts to
2 implement proven, research-based mentoring and tutoring programs in
3 reading that may include research-based reading skills development
4 software for low-performing students in grades K-6. If the grant is
5 made to a school district, the principals of schools enrolling targeted
6 students shall be consulted concerning design and implementation of the
7 program.

8 (b) The programs may be implemented before, after, or during the
9 regular school day, or on Saturdays, summer, intercessions, or other
10 vacation periods.

11 (c) Two or more schools may combine their Washington reading corps
12 programs.

13 (d) A program is eligible for a grant if it meets the following
14 conditions:

15 (i) The program employs methods of teaching and student learning
16 based on reliable reading/literacy research and effective practices;

17 (ii) The program design is comprehensive and includes instruction,
18 on-going student assessment, professional development,
19 parental/community involvement, and program management aligned with the
20 school's reading curriculum;

21 (iii) It provides quality professional development and training for
22 teachers, staff, and volunteer mentors and tutors;

23 (iv) It has measurable goals for student reading aligned with the
24 essential academic learning requirements;

25 (v) It contains an evaluation component to determine the
26 effectiveness of the program; and

27 (vi) The program may include a software-based solution to increase
28 the student/tutor ratio to a minimum of 5:1. The selected software
29 program shall be scientifically researched-based.

30 (e) Funding priority shall be given to low-performing schools.

31 (f) Beginning and end-of-program testing data shall be available to
32 determine the effectiveness of funded programs and practices. Common
33 evaluative criteria across programs, such as grade-level improvements
34 shall be available for each reading corps program. The superintendent
35 of public instruction shall provide program evaluations to the governor
36 and the appropriate committees of the legislature. Administrative and
37 evaluation costs may be assessed from the annual appropriation for the
38 program.

1 (g) Grants provided under this section may be used by schools and
2 school districts for expenditures from September 2003 through August
3 31, 2005.

4 (11) (~~(\$1,564,000)~~) \$1,313,000 of the general fund--state
5 appropriation for fiscal year 2004 and (~~(\$2,497,000)~~) \$2,473,000 of the
6 general fund--state appropriation for fiscal year 2005 are provided
7 solely for salary bonuses for teachers who attain certification by the
8 national board for professional teaching standards, subject to the
9 following conditions and limitations:

10 (a) Teachers who hold a valid certificate from the national board
11 during the 2003-04 or 2004-05 school years shall receive an annual
12 bonus not to exceed \$3,500 in each of these school years in which they
13 hold a national board certificate.

14 (b) The annual bonus shall be paid in a lump sum amount and shall
15 not be included in the definition of "earnable compensation" under RCW
16 41.32.010(10).

17 (12) \$313,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$313,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for a principal support program.
20 The office of the superintendent of public instruction may contract
21 with an independent organization to administer the program. The
22 program shall include: (a) Development of an individualized
23 professional growth plan for a new principal or principal candidate;
24 and (b) participation of a mentor principal who works over a period of
25 between one and three years with the new principal or principal
26 candidate to help him or her build the skills identified as critical to
27 the success of the professional growth plan.

28 (13) \$126,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$126,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided for the development and posting of web-
31 based instructional tools, assessment data, and other information that
32 assists schools and teachers implementing higher academic standards.

33 (14) \$3,046,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$3,046,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely to the office of the
36 superintendent of public instruction for focused assistance. The
37 office of the superintendent of public instruction shall conduct
38 educational audits of low-performing schools and enter into performance

1 agreements between school districts and the office to implement the
2 recommendations of the audit and the community. Each educational audit
3 shall include recommendations for best practices and ways to address
4 identified needs and shall be presented to the community in a public
5 meeting to seek input on ways to implement the audit and its
6 recommendations.

7 (15) \$1,764,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$1,764,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for the mathematics helping corps
10 subject to the following conditions and limitations:

11 (a) In order to increase the availability and quality of technical
12 mathematics assistance statewide, the superintendent of public
13 instruction shall employ mathematics school improvement specialists to
14 provide assistance to schools and districts. The specialists shall be
15 hired by and work under the direction of a statewide school improvement
16 coordinator. The mathematics improvement specialists shall not be
17 permanent employees of the superintendent of public instruction.

18 (b) The school improvement specialists shall provide the following:

19 (i) Assistance to schools to disaggregate student performance data
20 and develop improvement plans based on those data;

21 (ii) Consultation with schools and districts concerning their
22 performance on the Washington assessment of student learning and other
23 assessments emphasizing the performance on the mathematics assessments;

24 (iii) Consultation concerning curricula that aligns with the
25 essential academic learning requirements emphasizing the academic
26 learning requirements for mathematics, the Washington assessment of
27 student learning, and meets the needs of diverse learners;

28 (iv) Assistance in the identification and implementation of
29 research-based instructional practices in mathematics;

30 (v) Staff training that emphasizes effective instructional
31 strategies and classroom-based assessment for mathematics;

32 (vi) Assistance in developing and implementing family and community
33 involvement programs emphasizing mathematics; and

34 (vii) Other assistance to schools and school districts intended to
35 improve student mathematics learning.

36 (16) (~~(\$87,901,000)~~) \$125,000 of the general fund--state
37 appropriation for fiscal year 2004 and \$125,000 of the general fund--
38 state appropriation for fiscal year 2005 are provided for the Tukwila

1 school district and the Selah school district for a two-year project
2 designed to improve the districts' performance in reading and math and
3 to close the achievement gap within the district, subject to the
4 following conditions and limitations:

5 (a) Funds shall be allocated to all schools within the Tukwila
6 school district and Selah school district to implement proven,
7 research-based reading and math intervention software for low-
8 performing students in grades K-12.

9 (b) The programs may be implemented before, during, or after the
10 regular school day, on Saturdays, or summer intercessions.

11 (c) A program is eligible for funding if it meets the following
12 conditions:

13 (i) The program employs methods of teaching and student learning
14 based on reliable research and best practices;

15 (ii) The program design is comprehensive and includes instruction,
16 ongoing student assessment, professional development, and program
17 management aligned with the district's reading and math curriculum;

18 (iii) The program provides quality professional development and
19 training for teachers, staff, and volunteer mentors or tutors;

20 (iv) The program contains an evaluation component to determine the
21 effectiveness of the program, which will be reported to the legislature
22 and the superintendent of public instruction on an annual basis for the
23 duration of the project.

24 (d) Beginning and end-of-program testing data shall be available to
25 determine the effectiveness of funded programs and practices. Common
26 evaluative criteria across programs, such as grade-level improvements,
27 shall be available for each program.

28 (e) All materials related to the project shall be retained by the
29 district at the end of the two-year term.

30 (17) \$515,000 of the general fund--state appropriation for fiscal
31 year 2005 is provided solely for the math initiative. The office of
32 the superintendent of public instruction shall evaluate textbooks and
33 other instructional materials for math to determine the extent to which
34 they are aligned with the state standards. A scorecard of the analysis
35 shall be made available to school districts. The superintendent shall
36 also develop and disseminate information on essential components of
37 comprehensive, school-based math programs and shall work with mentor

1 teachers from around the state to develop guidelines for eligibility,
2 training, and professional development for mentor math teachers.

3 (18) \$125,822,000 of the general fund--federal appropriation is
4 provided for preparing, training, and recruiting high quality teachers
5 and principals under Title II of the no child left behind act. Of this
6 amount, \$50,000 of the general fund--federal appropriation for state
7 administration under Title II is provided solely for the joint
8 legislative audit and review committee to conduct a study of state and
9 school district expenditures of Title II monies. The office of
10 superintendent of public instruction shall establish an interagency
11 agreement with the joint legislative audit and review committee to
12 carry out this study.

13 ~~((17) \$25,046,000))~~ (19) \$25,955,000 of the general fund--federal
14 appropriation is provided for the reading first program under Title I
15 of the no child left behind act.

16 **Sec. 514.** 2003 1st sp.s. c 25 s 514 (uncodified) is amended to
17 read as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
19 **BILINGUAL PROGRAMS**

| | | |
|----|---|--------------------------------|
| 20 | General Fund--State Appropriation (FY 2004) | ((\$49,791,000)) |
| 21 | | <u>\$50,678,000</u> |
| 22 | General Fund--State Appropriation (FY 2005) | ((\$52,062,000)) |
| 23 | | <u>\$54,050,000</u> |
| 24 | General Fund--Federal Appropriation (FY 2005) | ((\$46,309,000)) |
| 25 | | <u>\$44,544,000</u> |
| 26 | TOTAL APPROPRIATION | ((\$148,162,000)) |
| 27 | | <u>\$149,272,000</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) The superintendent shall distribute a maximum of \$725.11 per
34 eligible bilingual student in the 2003-04 school year and ~~((~~\$725.11~~))~~
35 \$725.17 in the 2004-05 school year, exclusive of salary and benefit
36 adjustments provided in section 504 of this act.

1 (3) The superintendent may withhold up to \$700,000 in school year
2 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
3 eligible pupil rates in subsection (2) of this section accordingly, for
4 the central provision of assessments as provided in RCW 28A.180.090 (1)
5 and (2).

6 (4) \$70,000 of the amounts appropriated in this section are
7 provided solely to develop a system for the tracking of current and
8 former transitional bilingual program students.

9 (5) The general fund--federal appropriation in this section is
10 provided for migrant education under Title I Part C and English
11 language acquisition, and language enhancement grants under Title III
12 of the elementary and secondary education act.

13 **Sec. 515.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to
14 read as follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
16 **ASSISTANCE PROGRAM**

| | | |
|----|---|--------------------------------|
| 17 | General Fund--State Appropriation (FY 2004) | ((\$65,385,000)) |
| 18 | | <u>\$64,366,000</u> |
| 19 | General Fund--State Appropriation (FY 2005) | ((\$64,051,000)) |
| 20 | | <u>\$62,929,000</u> |
| 21 | General Fund--Federal Appropriation | ((\$307,178,000)) |
| 22 | | <u>\$301,322,000</u> |
| 23 | TOTAL APPROPRIATION | ((\$436,614,000)) |
| 24 | | <u>\$428,617,000</u> |

25 (1) The general fund--state appropriations in this section are
26 subject to the following conditions and limitations:

27 (a) Each general fund--state fiscal year appropriation includes
28 such funds as are necessary to complete the school year ending in the
29 fiscal year and for prior fiscal year adjustments.

30 (b) Funding for school district learning assistance programs shall
31 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
32 04 school year and ((~~\$433.03~~)) \$432.53 per funded unit for the 2004-05
33 school year exclusive of salary and benefit adjustments provided under
34 section 504 of this act.

35 (c) For purposes of this section, "test results" refers to the
36 district results from the norm-referenced test administered in the

1 specified grade level. The norm-referenced test results used for the
2 third and sixth grade calculations shall be consistent with the third
3 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

4 (d) A school district's general fund--state funded units shall be
5 the sum of the following:

6 (i) The district's full-time equivalent enrollment in grades K-6,
7 multiplied by the 5-year average 4th grade lowest quartile test results
8 as adjusted for funding purposes in the school years prior to 1999-
9 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
10 shall be phased into the 5-year average on a 1-year lag;

11 (ii) The district's full-time equivalent enrollment in grades 7-9,
12 multiplied by the 5-year average 8th 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 6th grade test becomes available, it
15 shall be phased into the 5-year average for these grades on a 1-year
16 lag;

17 (iii) The district's full-time equivalent enrollment in grades 10-
18 11 multiplied by the 5-year average 11th grade lowest quartile test
19 results, multiplied by 0.82. As the 9th grade test becomes available,
20 it shall be phased into the 5-year average for these grades on a 1-year
21 lag;

22 (iv) If, in the prior school year, the district's percentage of
23 October headcount enrollment in grades K-12 eligible for free and
24 reduced price lunch exceeded the state average, subtract the state
25 average percentage of students eligible for free and reduced price
26 lunch from the district's percentage and multiply the result by the
27 district's K-12 annual average full-time equivalent enrollment for the
28 current school year multiplied by 22.3 percent; and

29 (v) In addition to amounts allocated under (d) of this subsection,
30 for school districts in which the effective Title I Part A (basic
31 program) increase is insufficient to cover the formula change in the
32 multiplier from .92 to .82, a state allocation shall be provided that,
33 when combined with the effective increase in federal Title I Part A
34 (basic program) funds from the 2001-02 school year, is sufficient to
35 cover this amount. The effective Title I Part A (basic program)
36 increase is the current school year federal Title I Part A (basic
37 program) allocation minus the 2001-02 school year federal Title I Part

1 A (basic program) allocation, after the 2001-02 Title I Part A
2 allocation has been inflated by three percent.

3 (2) The general fund--federal appropriation in this section is
4 provided for Title I Part A allocations of the no child left behind act
5 of 2001.

6 (3) A school district may carry over from one year to the next up
7 to 10 percent of the general fund--state funds allocated under this
8 program; however, carryover funds shall be expended for the learning
9 assistance program.

10 **Sec. 516.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to
11 read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
13 **PROGRAM**

| | | |
|----|-----------------------------------|--------------------------------|
| 14 | Student Achievement Fund--State | |
| 15 | Appropriation (FY 2004) | ((\$203,123,000)) |
| 16 | | <u>\$214,107,000</u> |
| 17 | Student Achievement Fund--State | |
| 18 | Appropriation (FY 2005) | ((\$195,080,000)) |
| 19 | | <u>\$195,535,000</u> |
| 20 | TOTAL APPROPRIATION | ((\$398,203,000)) |
| 21 | | <u>\$409,642,000</u> |

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

24 (1) Funding for school district student achievement programs shall
25 be allocated at a maximum rate of ((~~\$211.67~~)) \$219.32 per FTE student
26 for the 2003-04 school year and \$254.00 per FTE student for the 2004-
27 05 school year. For the purposes of this section and in accordance
28 with RCW 84.52.068, FTE student refers to the annual average full-time
29 equivalent enrollment of the school district in grades kindergarten
30 through twelve for the prior school year.

31 (2) The appropriation is allocated for the following uses as
32 specified in RCW 28A.505.210:

33 (a) To reduce class size by hiring certificated elementary
34 classroom teachers in grades K-4 and paying nonemployee-related costs
35 associated with those new teachers;

36 (b) To make selected reductions in class size in grades 5-12, such
37 as small high school writing classes;

1 (c) To provide extended learning opportunities to improve student
2 academic achievement in grades K-12, including, but not limited to,
3 extended school year, extended school day, before-and-after-school
4 programs, special tutoring programs, weekend school programs, summer
5 school, and all-day kindergarten;

6 (d) To provide additional professional development for educators
7 including additional paid time for curriculum and lesson redesign and
8 alignment, training to ensure that instruction is aligned with state
9 standards and student needs, reimbursement for higher education costs
10 related to enhancing teaching skills and knowledge, and mentoring
11 programs to match teachers with skilled, master teachers. The funding
12 shall not be used for salary increases or additional compensation for
13 existing teaching duties, but may be used for extended year and
14 extended day teaching contracts;

15 (e) To provide early assistance for children who need
16 prekindergarten support in order to be successful in school; or

17 (f) To provide improvements or additions to school building
18 facilities which are directly related to the class size reductions and
19 extended learning opportunities under (a) through (c) of this
20 subsection (2).

21 (3) For the 2003-04 school year, the office of the superintendent
22 of public instruction shall distribute ten percent of the school year
23 allocation to districts each month for the months of September through
24 June. For the 2004-05 school year, the superintendent of public
25 instruction shall distribute the school year allocation according to
26 the monthly apportionment schedule defined in RCW 28A.510.250.

27 **Sec. 517.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to
28 read as follows:

29 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State
30 general fund and state student achievement fund appropriations provided
31 to the superintendent of public instruction for state entitlement
32 programs in the public schools in this part V of this act may be
33 expended as needed by the superintendent for adjustments to
34 apportionment for prior fiscal periods. Recoveries of state general
35 fund moneys from school districts and educational service districts for
36 a prior fiscal period shall be made as reductions in apportionment
37 payments for the current fiscal period and shall be shown as prior year

1 adjustments on apportionment reports for the current period. Such
2 recoveries shall not be treated as revenues to the state, but as a
3 reduction in the amount expended against the appropriation for the
4 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>32,796</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>17,670</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>7,934</u> |
| The Evergreen State College | ((8,017)) | <u>8,150</u> | ((8,017)) | <u>8,228</u> |
| Western Washington University | ((3,837)) | <u>3,871</u> | ((3,837)) | <u>3,908</u> |
| State Board for Community and Technical Colleges | ((11,126)) | <u>11,242</u> | ((11,126)) | <u>11,350</u> |
| Higher Education Coordinating Board | ((126,070)) | <u>127,189</u> | ((126,070)) | <u>128,412</u> |
| | ((246)) | <u>0</u> | ((500)) | <u>603</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)) |
| | <u>\$509,539,000</u> |
| 24 General Fund--State Appropriation (FY 2005) | ((\$517,854,000)) |
| | <u>\$526,108,000</u> |
| 26 Administrative Contingency Account--State | |
| 27 Appropriation | ((\$3,200,000)) |
| | <u>\$6,700,000</u> |
| 29 TOTAL APPROPRIATION | ((\$1,029,014,000)) |
| | <u>\$1,042,347,000</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~~), \$25,261,000 of the general fund--state
14 appropriation for fiscal year 2005, and \$3,500,000 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)~~) \$9,868,000 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 information technology, and (v) expansion of worker retraining
27 programs. The state board shall allocate resources among the four
28 areas specified in this subsection and shall manage a competitive
29 process for awarding resources for health services, viticulture,
30 enology, and applied science and engineering programs.

31 (b) The state board shall provide information on the number of
32 additional headcount and full-time equivalent students enrolled in
33 high-demand fields (~~by November 1 of each fiscal year~~) at the
34 conclusion of each academic year, as soon as final enrollment data
35 becomes available, to the office of financial management and the fiscal
36 and higher education committees of the legislature.

37 (14) \$111,000 of the general fund--state appropriation for fiscal
38 year 2004 and \$86,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to support the development of a
2 comprehensive viticulture (grape growing) and enology (wine making)
3 higher education program in Washington state. From these sums, the
4 state board shall allocate:

5 (a) \$75,000 a year to Walla Walla community college for its
6 associate science and associate arts degree programs for the purpose of
7 vineyard and wine-making equipment purchases, student labor,
8 instructional supplies, field work, and travel expenses;

9 (b) \$25,000 on a one-time basis to Wenatchee community college for
10 the purpose of adapting its orchard employee educational program; and

11 (c) \$22,000 on a one-time basis to Yakima Valley community college
12 for the purpose of vineyard and wine-making equipment and supply
13 purchases.

14 The college districts named in this subsection are encouraged to
15 seek a portion of the high-demand student enrollment funding made
16 available on a competitive basis through the state board to address
17 their respective need for additional instructors and professional
18 staff.

19 (15) \$300,000 of the general fund--state appropriation for fiscal
20 year 2005 is provided solely for the transition math project to address
21 the need to reduce remedial math courses taken at institutions of
22 higher education.

23 (a) The project will bring together representatives from the K-12
24 system, the two-year college system, and the public four-year
25 institutions of higher education to: (i) Align standards and
26 expectations for mathematics so that high school graduates will be well
27 prepared to enter college-level math courses; (ii) increase student
28 success in completing math requirements in high school and college
29 through careful attention to improved instruction and assessment; and
30 (iii) communicate math expectations to students through clear and
31 consistent messages and focused educational advising. The state board
32 for community and technical colleges will serve as fiscal agent for the
33 project.

34 (b) By December 1, 2004, the state board, in coordination with the
35 K-12 system and the public four-year institutions of higher education,
36 shall provide a progress report on the transition math project to the
37 office of financial management and the fiscal and higher education
38 committees of the legislature. A final report will be submitted by

1 December 1, 2005 and shall identify specific strategies implemented to
2 reduce remedial math courses taken at higher education institutions, as
3 well as a long-term plan to achieve measurable and specific
4 improvements each academic year for substantial progress towards the
5 achievement of this goal.

6 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to
7 read as follows:

8 **FOR THE UNIVERSITY OF WASHINGTON**

| | | |
|----|---|----------------------------|
| 9 | General Fund--State Appropriation (FY 2004) | \$311,628,000 |
| 10 | General Fund--State Appropriation (FY 2005) | (\$319,584,000) |
| 11 | | <u>\$325,668,000</u> |
| 12 | General Fund--Private/Local Appropriation | \$300,000 |
| 13 | Death Investigations Account--State | |
| 14 | Appropriation | \$261,000 |
| 15 | Accident Account--State Appropriation | \$5,937,000 |
| 16 | Medical Aid Account--State Appropriation | \$5,960,000 |
| 17 | TOTAL APPROPRIATION | (\$643,670,000) |
| 18 | | <u>\$649,754,000</u> |

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

21 (1) \$1,875,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$1,875,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely to create a state resource for
24 technology education in the form of an institute located at the
25 University of Washington, Tacoma. The university will continue to
26 provide undergraduate and graduate degree programs meeting regional
27 technology needs including, but not limited to, computing and software
28 systems. As a condition of these appropriations:

29 (a) The university will work with the state board for community and
30 technical colleges, or individual colleges where necessary, to
31 establish articulation agreements in addition to the existing associate
32 of arts and associate of science transfer degrees. Such agreements
33 shall improve the transferability of students and in particular,
34 students with substantial applied information technology credits.

35 (b) The university will establish performance measures for
36 recruiting, retaining and graduating students, including nontraditional

1 students, and report back to the governor and legislature by September
2 2004 as to its progress and future steps.

3 (2) \$150,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$150,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for research faculty clusters in
6 the advanced technology initiative program.

7 (3) The entire death investigations account appropriation is
8 provided for the forensic pathologist fellowship program.

9 (4) \$150,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$150,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the implementation of the
12 Puget Sound work plan and agency action item UW-01.

13 (5) \$75,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$75,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for the Olympic natural resources
16 center.

17 (6) \$1,526,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$3,096,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for competitively offered
20 recruitment and retention salary adjustments for instructional and
21 research faculty, exempt professional staff, academic administrators,
22 academic librarians, counselors, teaching and research assistants, as
23 classified by the office of financial management, and all other
24 nonclassified staff, but not including employees under RCW 28B.16.015.
25 Tuition revenues may be expended in addition to those required by this
26 section to further provide recruitment and retention salary
27 adjustments.

28 (7) \$1,250,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$1,250,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for state match to attract or
31 retain federal research grants in high demand and technologically
32 advanced fields.

33 (8) \$300,000 of the general fund--private/local appropriation is
34 provided solely for shellfish biotoxin monitoring as specified in
35 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

36 (9) \$2,275,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely for a proteomics center and an autism
38 center. Of the amount provided in this subsection, \$1,600,000 is

1 provided solely for the University of Washington school of medicine for
2 recruitment of biosciences research faculty to establish a proteomics
3 center and \$675,000 is provided solely as one-time funding to establish
4 an autism center at the University of Washington Tacoma campus. The
5 amount provided for the proteomics center is contingent on receipt of
6 \$6,000,000 in one-time, nonstate matching funds. If the nonstate
7 matching funds are not received by June 30, 2005, \$1,600,000 of the
8 amount provided in this subsection shall lapse.

9 (10) \$1,897,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely for the training and support of primary
11 care physicians and primary care providers through the network of
12 family practice residency programs. All of the funding provided in
13 this section shall be distributed directly to the family practice
14 residency programs to assist with cost increases experienced by the
15 programs, including the cost of medical malpractice premiums.

16 (11) The University of Washington shall present a preliminary
17 report to the fiscal committees of the legislature detailing the use of
18 state research funds by November 1, 2004, and shall present a final
19 report by November 1, 2005. For each research project supported by the
20 state general fund in the 2003-05 biennium, including projects funded
21 in the university's base budget, the report shall include: (a) A brief
22 description of the research project; (b) the amount of state and
23 institutional funds contributed to the project; (c) the level of
24 federal or other sources of match received for the state's investment;
25 and (d) any other information deemed pertinent by the institution.

26 (12) By December 15, 2004, the University of Washington Bothell
27 shall submit to the higher education and fiscal committees of the
28 legislature a plan to phase in lower-division courses at the campus.
29 At a minimum, the following issues should be addressed in the plan:

30 (a) An enrollment plan that provides adequate capacity for
31 community college transfer students;

32 (b) Appropriate levels of state general fund support and tuition
33 and fees for the campus, commensurate with a role and mission similar
34 to a comprehensive university;

35 (c) Identification of any start-up costs to implement the phase-in
36 of lower division courses; and

37 (d) Other issues deemed pertinent by the institution.

1 branch campus in Vancouver to create and operate a state institute for
2 engineering and science in partnership with Clark and Lower Columbia
3 community colleges and regional industry leaders in southwest
4 Washington. As a condition of this appropriation, the university shall
5 develop and provide to the satisfaction of the office of financial
6 management a business plan for the new institute. The university,
7 together with its two-year college and industry partners, shall provide
8 the governor, legislature, and state higher education coordinating
9 board with an annual summary of its progress to produce more graduates
10 trained in applied science technologies and engineering. Annual
11 reports to inform and advise policymakers of the partners' success,
12 emerging issues, and resource needs if any shall occur by no later than
13 November 15 during the 2003-05 biennium.

14 (4) \$150,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$150,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for research faculty clusters in
17 the advanced technology initiative program.

18 (5) \$165,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$166,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the implementation of the
21 Puget Sound work plan and agency action item WSU-01.

22 (6) \$949,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$1,927,000 of general fund--state appropriation for
24 fiscal year 2005 are provided solely for competitively offered
25 recruitment and retention salary adjustments for instructional and
26 research faculty, exempt professional staff, academic administrators,
27 academic librarians, counselors, teaching and research assistants, as
28 classified by the office of financial management, and all other
29 nonclassified staff, but not including employees under RCW 28B.16.015.
30 Tuition revenues may be expended in addition to those required by this
31 section to further provide recruitment and retention salary
32 adjustments.

33 (7) \$50,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely for research to develop alternative
35 control mechanisms for burrowing shrimp.

36 (8) Washington State University shall present a preliminary report
37 to the fiscal committees of the legislature detailing the use of state
38 research funds by November 1, 2004, and shall present a final report by

1 November 1, 2005. For each research project supported by the state
2 general fund in the 2003-05 biennium, including projects funded in the
3 university's base budget, the report shall include: (a) A brief
4 description of the research project; (b) the amount of state and
5 institutional funds contributed to the project; (c) the level of
6 federal or other sources of match received for the state's investment;
7 and (d) any other information deemed pertinent by the institution.

8 (9)(a) By December 15, 2004, Washington State University Vancouver
9 shall submit to the higher education and fiscal committees of the
10 legislature a plan to phase in lower-division courses at the campus.
11 At a minimum, the following issues should be addressed in the plan:

12 (i) An enrollment plan that provides adequate capacity for
13 community college transfer students;

14 (ii) Appropriate levels of state general fund support and tuition
15 and fees for the campus, commensurate with a role and mission that
16 includes an innovative combination of instruction and research suitable
17 for meeting the region's needs for access as well as supporting the
18 expansion of the region's economic viability;

19 (iii) Capital needs;

20 (iv) Identification of any start-up costs to implement the phase-in
21 of lower-division courses; and

22 (v) Other issues deemed pertinent by the institution.

23 (b) In developing its plan, Washington State University Vancouver
24 shall solicit input from students, local community and technical
25 colleges, the main campus, and community stakeholders such as economic
26 development councils and business and labor leaders.

27 **Sec. 605.** 2003 1st sp.s. c 25 s 606 (uncodified) is amended to
28 read as follows:

29 **FOR EASTERN WASHINGTON UNIVERSITY**

| | | |
|----|---|---------------------------|
| 30 | General Fund--State Appropriation (FY 2004) | \$40,861,000 |
| 31 | General Fund--State Appropriation (FY 2005) | (\$42,183,000) |
| 32 | | <u>\$42,620,000</u> |
| 33 | TOTAL APPROPRIATION | (\$83,044,000) |
| 34 | | <u>\$83,481,000</u> |

35 The appropriations in this section are subject to the following
36 conditions and limitations: \$248,000 of the general fund--state
37 appropriation for fiscal year 2004 and \$503,000 of general fund--state

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

10 **Sec. 606.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to
11 read as follows:

12 **FOR CENTRAL WASHINGTON UNIVERSITY**

| | | |
|----|---|-------------------------------|
| 13 | General Fund--State Appropriation (FY 2004) | \$39,765,000 |
| 14 | General Fund--State Appropriation (FY 2005) | ((\$41,391,000)) |
| 15 | | <u>\$42,291,000</u> |
| 16 | TOTAL APPROPRIATION | ((\$81,156,000)) |
| 17 | | <u>\$82,056,000</u> |

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

20 (1) \$1,050,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,050,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided to expand university enrollment by 196
23 full-time equivalent students.

24 (2) \$206,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$418,000 of general fund--state appropriation for fiscal
26 year 2005 are provided solely for competitively offered recruitment and
27 retention salary adjustments for instructional and research faculty,
28 exempt professional staff, academic administrators, academic
29 librarians, counselors, teaching and research assistants, as classified
30 by the office of financial management, and all other nonclassified
31 staff, but not including employees under RCW 28B.16.015. Tuition
32 revenues may be expended in addition to those required by this section
33 to further provide recruitment and retention salary adjustments.

34 **Sec. 607.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to
35 read as follows:

1 **FOR THE EVERGREEN STATE COLLEGE**

| | | |
|---|---|-------------------------------|
| 2 | General Fund--State Appropriation (FY 2004) | ((\$22,881,000)) |
| 3 | | <u>\$22,856,000</u> |
| 4 | General Fund--State Appropriation (FY 2005) | ((\$23,618,000)) |
| 5 | | <u>\$24,035,000</u> |
| 6 | TOTAL APPROPRIATION | ((\$46,499,000)) |
| 7 | | <u>\$46,891,000</u> |

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

10 (1) \$124,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$252,000 of general fund--state appropriation for fiscal
12 year 2005 are provided solely for competitively offered recruitment and
13 retention salary adjustments for instructional and research faculty,
14 exempt professional staff, academic administrators, academic
15 librarians, counselors, teaching and research assistants, as classified
16 by the office of financial management, and all other nonclassified
17 staff, but not including employees under RCW 28B.16.015. Tuition
18 revenues may be expended in addition to those required by this section
19 to further provide recruitment and retention salary adjustments.

20 (2) The Washington state institute for public policy shall research
21 the following issues and provide reports to the legislature as
22 directed. The institute board shall prioritize and schedule all
23 studies based on staff capacity.

24 (a) \$110,000 of the general fund--state appropriation for fiscal
25 year 2004 is provided solely for the Washington state institute for
26 public policy to review research assessing the effectiveness of
27 prevention and early intervention programs concerning children and
28 youth, including but not limited to, programs designed to reduce the
29 at-risk behaviors for children and youth identified in RCW
30 70.190.010(4).

31 Using this research, the institute shall identify specific
32 research-proven programs that produce a positive return on the dollar
33 compared to the costs of the program. The institute shall also develop
34 criteria designed to ensure quality implementation and program fidelity
35 of research-proven programs in the state. The criteria shall include
36 measures for ongoing monitoring and continual improvement of treatment
37 delivery, and shall be feasible for inclusion in a contract for
38 services. The institute shall develop recommendations for potential

1 state legislation that encourages local government investment in
2 research-proven prevention and early intervention programs by
3 reimbursing local governments for a portion of the savings that accrue
4 to the state as the result of local investments in such programs. The
5 institute shall present a preliminary report of its findings to the
6 appropriate committees of the legislature by December 1, 2003, and
7 shall present a final report by (~~March~~) July 1, 2004.

8 (b) \$26,000 of the general fund--state appropriation for fiscal
9 year 2004 is provided solely for the Washington state institute for
10 public policy to develop adherence and outcome standards for measuring
11 the effectiveness of treatment programs referred to in Chapter 378,
12 Laws of 2003 (ESSB 5903). The standards shall be developed and
13 presented to the governor and legislature by no later than January 1,
14 2004.

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

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

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

31 (iii) The institute for public policy shall present a preliminary
32 report of its findings to the governor and to the appropriate standing
33 committees of the legislature by December 15, 2003, and shall present
34 a final report regarding its findings and recommendations by March 15,
35 2004.

36 (d) \$12,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$12,000 of the general fund--state appropriation for
38 fiscal year 2005 are provided solely for the Washington state institute

1 for public policy to examine the results of the changes in earned
2 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
3 determine whether the changes in earned release affect the rate of
4 recidivism or the type of offenses committed by persons whose release
5 dates were affected by the changes under the bill. The institute shall
6 report its findings to the governor and appropriate committees of the
7 legislature by no later than December 1, 2008.

8 ~~(((\$25,000 of the general fund--state appropriation for fiscal~~
9 ~~year 2004 and \$25,000))~~ \$65,000 of the general fund--state
10 appropriation for fiscal year 2005 ~~((are))~~ is provided solely for the
11 Washington state institute for public policy to conduct the evaluation
12 outlined in Second Engrossed Substitute Senate Bill No. 5012 or Second
13 Substitute House Bill No. 2295 (charter schools). If ~~((the))~~ neither
14 bill is ~~((not))~~ enacted by June 30, ~~((2003))~~ 2004, the amount~~((s))~~
15 provided in this subsection shall lapse.

16 (f) \$150,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely for the Washington state institute for
18 public policy to implement the study in Engrossed Substitute House Bill
19 No. 2400 (sex crimes against minors). If the bill is not enacted by
20 June 30, 2004, the amount provided in this subsection shall lapse. The
21 institute shall conduct the study required by the bill in a manner that
22 does not duplicate the study required by the sentencing guidelines
23 commission in this act.

24 (g) \$25,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for the Washington state institute for
26 public policy to examine issues related to the state's transitional
27 bilingual education program. The examination shall include, but is not
28 limited to, a review of the following issues: Trends in enrollment and
29 average length of stay in the transitional bilingual program; the
30 different types of programs and delivery methods that exist in
31 Washington state and other states; the academic and language
32 acquisition effectiveness of different types of programs and service
33 delivery methods; the cost benefits of these different types of
34 programs and service delivery methods; and potential changes that would
35 result in more effective program delivery and cost-effectiveness. The
36 office of superintendent of public instruction shall provide technical
37 assistance and needed data to assist in the institute's examination.

1 The institute shall provide a report of its findings to the governor
2 and appropriate committees of the legislature by December 1, 2004.

3 **Sec. 608.** 2003 1st sp.s. c 25 s 609 (uncodified) is amended to
4 read as follows:

5 **FOR WESTERN WASHINGTON UNIVERSITY**

| | | |
|----|---|----------------------------|
| 6 | General Fund--State Appropriation (FY 2004) | \$53,645,000 |
| 7 | General Fund--State Appropriation (FY 2005) | (\$55,537,000) |
| 8 | | <u>\$56,127,000</u> |
| 9 | TOTAL APPROPRIATION | (\$109,182,000) |
| 10 | | <u>\$109,772,000</u> |

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

13 (1) \$980,400 of the general fund--state appropriation for fiscal
14 year 2004 and \$980,400 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for the operations of the North
16 Snohomish, Island, Skagit (NSIS) higher education consortium.

17 (2) \$248,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$503,000 of general fund--state appropriation for fiscal
19 year 2005 are provided solely for competitively offered recruitment and
20 retention salary adjustments for instructional and research faculty,
21 exempt professional staff, academic administrators, academic
22 librarians, counselors, teaching and research assistants, as classified
23 by the office of financial management, and all other nonclassified
24 staff, but not including employees under RCW 28B.16.015. Tuition
25 revenues may be expended in addition to those required by this section
26 to further provide recruitment and retention salary adjustments.

27 **Sec. 609.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
28 read as follows:

29 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION**
30 **AND ADMINISTRATION**

| | | |
|----|---|--------------------------|
| 31 | General Fund--State Appropriation (FY 2004) | (\$4,952,000) |
| 32 | | <u>\$4,988,000</u> |
| 33 | General Fund--State Appropriation (FY 2005) | (\$7,716,000) |
| 34 | | <u>\$11,584,000</u> |
| 35 | General Fund--Federal Appropriation | (\$642,000) |
| 36 | | <u>\$649,000</u> |

1 TOTAL APPROPRIATION ((~~\$13,310,000~~))
2 \$17,221,000

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

6 (1) Within the appropriations provided in this section, funds are
7 provided to continue the teacher training pilot program pursuant to
8 chapter 28B.80 RCW until standing authority for this program expires as
9 scheduled on January 1, 2005.

10 (2) \$175,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$175,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely to continue a demonstration
13 project to improve rural access to post-secondary education by bringing
14 distance learning technologies into Jefferson county.

15 (3) ((~~\$2,755,000~~)) \$2,740,000 of the general fund--state
16 appropriation for fiscal year 2004 and ((~~\$5,520,000~~)) \$9,098,000 of the
17 general fund--state appropriation for fiscal year 2005 are provided
18 solely to contract for ((~~246~~)) 247 full-time equivalent students in
19 high demand fields in fiscal year 2004 and an additional ((~~254~~)) 603
20 full-time equivalent students in high demand fields in fiscal year
21 2005. High-demand fields are programs where enrollment access is
22 limited and employers are experiencing difficulty finding qualified
23 graduates to fill job openings. Of the amounts provided, up to \$70,000
24 may be used for management of the competitive process for awarding
25 high-demand student FTEs during the 2003-05 biennium.

26 (a) The board will manage a competitive process for awarding high-
27 demand student FTEs. Public baccalaureate institutions and independent
28 four-year institutions are eligible to apply for funding and may submit
29 proposals ((~~that include cooperative partnerships with private~~
30 ~~independent institutions~~)). Independent four-year institutions must
31 comply with standards and reporting requirements established by the
32 board to ensure accountability. Any funding provided to an independent
33 four-year institution is solely for the biennial budget period.

34 (b) Among coequals, the board shall make it a priority to fund
35 proposals that prepare students for careers in (i) nursing and other
36 health services; (ii) applied science and engineering; (iii) teaching
37 and speech pathology; (iv) computing and information technology; and
38 (v) viticulture and enology, but not to the exclusion of compelling

1 proposals that document specific regional student and employer demand
2 in fields not listed in this subsection. Proposals and grant awards
3 will separately identify one-time, nonrecurring costs and ongoing
4 costs.

5 (c) The board will establish a proposal review committee that will
6 include, but not be limited to, representatives from the board, the
7 office of financial management, and economic development and labor
8 market analysts. The board will develop the request for proposals,
9 including the criteria for awarding grants, in consultation with the
10 proposal review committee.

11 (d) Baccalaureate institutions that receive grants shall provide
12 the board and the forecast division of the office of financial
13 management with data specified by the board or the office of financial
14 management that shows the impact of this subsection, particularly the
15 degree of improved access to high-demand programs for students and
16 successful job placements for graduates. The board will report on the
17 implementation of this subsection by November 1 of each fiscal year to
18 the office of financial management and the fiscal and higher education
19 committees of the legislature.

20 (4) \$205,000 of the general fund--state appropriation in fiscal
21 year 2005 is provided solely for a comprehensive and ongoing assessment
22 system as outlined in Substitute House Bill No. 3103 (higher
23 education). If the bill is not enacted by June 30, 2004, the amount
24 provided in this subsection shall lapse.

25 (5) \$30,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$70,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely to evaluate the policy
28 alternatives described in this subsection.

29 (a) By December 15, 2004, the board shall provide a report of the
30 evaluation to the governor and the fiscal and higher education
31 committees of the legislature. This evaluation, where appropriate,
32 shall incorporate the analysis and recommendations that are contained
33 in (i) the final strategic master plan for higher education adopted by
34 the board in June 2004 and (ii) the public agenda for higher education
35 as presented and refined by the national collaborative for
36 postsecondary education.

37 (b) For each policy alternative, the board shall identify:

1 (i) The implementation costs in the 2005-07, 2007-09, and 2009-11
2 biennia from both the state general fund and tuition revenue;

3 (ii) The distribution of enrollments by specific institution,
4 location, and type of program;

5 (iii) The allocation to high demand and general enrollments;

6 (iv) The methods of delivery;

7 (v) The capital facility needs to ensure the physical and quality
8 capacity of the institutions; and

9 (vi) The funding needs for financial aid and the implications for
10 students depending on whether these needs are met.

11 (c) The policy alternatives to be evaluated shall include, but are
12 not limited to:

13 (i) Current participation and distribution of enrollments by
14 institution and sector are maintained; general fund subsidy and total
15 funding increase at the rate of the consumer price index; no capital
16 funding is provided to increase capacity; and the state need grant
17 policies are maintained;

18 (ii) Graduation rates and participation rates are in the top
19 quarter of all states, overall and within each sector, such as
20 community colleges, comprehensive universities, and research
21 universities; enrollments are distributed to sectors and locations
22 based upon population demand, and include evaluation of demand in Puget
23 Sound and southwest Washington; the state general fund subsidy
24 increases to pay for new enrollments at peer averages; total funding
25 increases to peer averages, capital funding increases to meet growth,
26 and current state need grant practices are maintained;

27 (iii) Graduation rates and participation rates are in the top
28 quarter of all states, overall and within each sector; enrollments are
29 distributed to sectors and locations based upon population demand, and
30 include evaluation of demand in Puget Sound and southwest Washington;
31 state general fund increases pay for estimated increases in financial
32 need; total funding increases to peer averages, capital funding
33 increases to meet growth, and current state need grant practices are
34 maintained, plus state funding to meet increased need;

35 (iv) The tuition levels necessary to achieve total funding per
36 student to average level in other states;

37 (v) Financial aid increases so that half of all students are able
38 to graduate debt free based on information provided to the institutions

1 of higher education, and, for those who have loan repayment
2 obligations, the obligations do not exceed 10 percent of graduates'
3 average annual post-graduation income; and

4 (vi) Engaging private independent colleges by replacing the state
5 general fund subsidy for public institutions with vouchers, which
6 students may use at any accredited higher education institution.

7 (d) In evaluating these policy alternatives, the board shall
8 construct a simulation model of the impacts and costs. The purpose of
9 the model is to assist the legislature and governor in evaluating
10 various investment alternatives. The board shall consult with the
11 office of financial management, staff of the legislative fiscal and
12 higher education committees, and public and private higher education
13 institutions to refine the policy alternatives and delineate the
14 content of the model. The public institutions, the office of financial
15 management, and the legislative evaluation and accountability program
16 committee shall cooperate with the board in providing information to
17 construct the model. The model shall be operational by December 15,
18 2004.

19 (e) The governor's office, with assistance from the higher
20 education coordinating board, may create a prototype of a research
21 university performance contract.

22 (i) The prototype performance contract shall, at a minimum: (A)
23 Reflect statewide goals and priorities of the legislature; (B) contain
24 goals and commitments from both the institutions and the state; (C)
25 include quantifiable performance measures and benchmarks; (D) identify
26 specific resources needed to implement the contract; (E) and include
27 any other information deemed pertinent by the governor.

28 (ii) By December 1, 2004, the governor shall submit to the higher
29 education and fiscal committees of the legislature the prototype
30 performance contract, including any implementing legislation.

31 **Sec. 610.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to
32 read as follows:

33 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
34 **PROGRAMS**

35 General Fund--State Appropriation (FY 2004) ((\$145,217,000))
36 \$145,228,000

37 General Fund--State Appropriation (FY 2005) ((\$154,412,000))

| | | |
|---|---|--------------------------------|
| 1 | | <u>\$163,345,000</u> |
| 2 | General Fund--Federal Appropriation | ((\$7,530,000)) |
| 3 | | <u>\$7,537,000</u> |
| 4 | TOTAL APPROPRIATION | ((\$307,159,000)) |
| 5 | | <u>\$316,110,000</u> |

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

8 (1) \$259,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$273,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the western interstate
11 commission for higher education.

12 (2) \$1,100,000 of the general fund--state appropriation for fiscal
13 year 2004 and ((~~\$1,100,000~~)) \$3,100,000 of the general fund--state
14 appropriation for fiscal year 2005 are provided solely for the health
15 professional conditional scholarship and loan program under chapter
16 28B.115 RCW. This amount shall be deposited to the health professional
17 loan repayment and scholarship trust fund to carry out the purposes of
18 the program.

19 (3) \$75,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$75,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for higher education student child
22 care matching grants under chapter 28B.135 RCW.

23 (4) \$25,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$25,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the benefit of students who
26 participate in college assistance migrant programs (CAMP) operating in
27 Washington state. To ensure timely state aid, the board may establish
28 a date after which no additional grants would be available for the
29 2003-04 and 2004-05 academic years. The board shall disperse grants in
30 equal amounts to eligible post-secondary institutions so that state
31 money in all cases supplements federal CAMP awards.

32 (5) \$111,628,000 of the general fund--state appropriation for
33 fiscal year 2004 and ((~~\$120,420,000~~)) \$124,901,000 of the general
34 fund--state appropriation for fiscal year 2005 are provided solely for
35 the state need grant program. After April 1 of each fiscal year, up to
36 one percent of the annual appropriation for the state need grant
37 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)~~) \$8,390,000 of the
6 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 | REIMBURSED AS PRESCRIBED BY STATUTE | |
| 2 | General Fund--State Appropriation (FY 2004) | \$26,394,000 |
| 3 | General Fund--State Appropriation (FY 2005) | \$24,805,000 |
| 4 | Capitol Historic District Construction | |
| 5 | Account--State Appropriation | ((\$299,000)) |
| 6 | | <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 | ((\$180,213,000)) |
| 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 | ((\$2,032,000)) |
| 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 | ((\$50,000)) |
| 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 ((~~\$3,231,000~~))
2 \$3,472,000

3 **Sec. 704.** 2003 1st sp.s. c 25 s 709 (uncodified) is amended to
4 read as follows:

5 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

6 General Fund--State Appropriation (FY 2004) \$8,243,000
7 General Fund--State Appropriation (FY 2005) ((~~\$38,879,000~~))
8 \$33,909,000

9 Dedicated Funds and Accounts Appropriation ((~~\$41,232,000~~))
10 \$38,822,000

11 TOTAL APPROPRIATION ((~~\$88,354,000~~))
12 \$80,974,000

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

15 (1) The appropriation from dedicated funds and accounts shall be
16 made in the amounts specified and from the dedicated funds and accounts
17 specified in (a) LEAP document 2003-38, a computerized tabulation
18 developed by the legislative evaluation and accountability program
19 committee on June 2, 2003, and (b) LEAP document 2004-38 dated March
20 10, 2004, which ((is)) are hereby incorporated by reference. The
21 office of financial management shall allocate the moneys appropriated
22 in this section in the amounts specified and to the state agencies
23 specified in LEAP document 2003-38 and LEAP document 2004-38, and
24 adjust appropriation schedules accordingly.

25 (2)(a) The monthly employer funding rate for insurance benefit
26 premiums, public employees' benefits board administration, and the
27 uniform medical plan, shall not exceed \$504.89 per eligible employee
28 for fiscal year 2004, and ((~~\$592.30~~)) \$584.58 for fiscal year 2005.

29 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
30 employee shall be included in the employer funding rate for fiscal year
31 2004, and \$2.11 per eligible employee shall be included in the employer
32 funding rate for fiscal year 2005, solely to increase life insurance
33 coverage in accordance with a court approved settlement in *Burbage et*
34 *al. v. State of Washington* (Thurston county superior court cause no.
35 94-2-02560-8).

36 (c) In order to achieve the level of funding provided for health
37 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) The health care authority, subject to the approval of the
12 public employees' benefits board, shall provide subsidies for health
13 benefit premiums to eligible retired or disabled public employees and
14 school district employees who are eligible for parts A and B of
15 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
16 December 31, 2004, the subsidy shall be \$102.35. Starting January 1,
17 2005, the subsidy shall be \$116.19 per month.

18 (4) Technical colleges, school districts, and educational service
19 districts shall remit to the health care authority for deposit into the
20 public employees' and retirees' insurance account established in RCW
21 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)~~) \$45.50 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)~~) \$45.50 beginning September 1, 2004, prorated by the
29 proportion of employer fringe benefit contributions for a full-time
30 employee that the 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) The appropriations in this section include amounts sufficient
36 to fund health benefits for ferry workers at the premium levels
37 specified in subsection (2) of this section, consistent with the 2003-
38 2005 transportation appropriations act.

1 **Sec. 705.** 2003 1st sp.s. c 25 s 712 (uncodified) is amended to
2 read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY**
4 **REVOLVING ACCOUNT**

| | | |
|---|---|---------------------------|
| 5 | General Fund--State Appropriation (FY 2004) | \$10,468,000 |
| 6 | General Fund--State Appropriation (FY 2005) | (\$10,468,000) |
| 7 | | <u>\$9,264,000</u> |
| 8 | TOTAL APPROPRIATION | (\$20,936,000) |
| 9 | | <u>\$19,732,000</u> |

10 The appropriations in this section are subject to the following
11 conditions and limitations: The appropriation in this section is for
12 appropriation to the education technology revolving account for the
13 purpose of covering operational and transport costs incurred by the K-
14 20 educational network program in providing telecommunication services
15 to network participants.

16 **Sec. 706.** 2003 1st sp.s. c 25 s 715 (uncodified) is amended to
17 read as follows:

18 **INCREASED FEDERAL ASSISTANCE.** (1) If the department of social and
19 health services or the department of veterans affairs receives federal
20 funding to enhance the federal medical assistance percentage for the
21 2001-2003 (~~or 2003-2005 fiscal biennia~~) biennium as a result of the
22 jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27),
23 the moneys shall be expended as an unanticipated receipt under RCW
24 43.79.270 and 43.79.280, subject to the following conditions and
25 limitations:

26 (a) The moneys shall be expended in the manner required by the
27 federal act;

28 (b) The federal moneys shall be expended in a manner that will
29 maximize the conservation of state moneys, which shall be placed in
30 reserve status and remain unexpended; and

31 (c) The director of financial management shall notify the
32 appropriate legislative fiscal committees of proposed allotment
33 modifications prior to expenditure of the federal moneys.

34 (2) If the state receives federal funding for the 2001-2003 or
35 2003-2005 fiscal biennia as a result of the jobs and growth tax relief
36 reconciliation act of 2003 (P.L. 108-27) in addition to the funding

1 described in subsection (1) of this section, the moneys may be expended
2 as an unanticipated receipt under RCW 43.79.270 and 43.79.280, subject
3 to the following conditions and limitations:

4 (a) The moneys shall be expended in the manner required by the
5 federal act;

6 (b) The federal moneys shall be expended for necessary state
7 services and in a manner that will maximize the conservation of state
8 moneys, which shall be placed in reserve status and remain unexpended;
9 and

10 (c) The director of financial management shall notify the
11 appropriate legislative fiscal committees of proposed allotment
12 modifications prior to expenditure of the federal moneys.

13 **Sec. 707.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to
14 read as follows:

15 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

| | | |
|----|--|-----------------------|
| 16 | <u>General Fund--State Appropriation (FY 2005)</u> | <u>(\$10,638,000)</u> |
| 17 | <u>Dedicated Funds and Accounts Appropriation</u> | <u>(\$4,317,000)</u> |
| 18 | <u>TOTAL APPROPRIATION</u> | <u>(\$14,955,000)</u> |

19
20 The appropriations in this section are subject to the following
21 conditions and limitations: The office of financial management shall
22 ~~((reduce allotments for all agencies by \$10,638,000 from 2003-05~~
23 ~~biennial general fund appropriations in this act)) update agency~~
24 appropriation schedules to reflect the reduction in contributions to
25 the liability account(~~(. The general fund allotment reduction shall be~~
26 ~~placed in unallotted status and remain unexpended)) as identified by~~
27 agency and account in LEAP document 2004-05 dated February 21, 2004,
28 which is hereby incorporated by reference.

29 NEW SECTION. **Sec. 708.** A new section is added to 2003 1st sp.s.
30 c 25 (uncodified) to read as follows:

31 **AGENCY EXPENDITURES FOR TORT LIABILITY.** The office of financial
32 management shall reduce allotments for all agencies by \$1,203,000 from
33 fiscal year 2005 general fund--state appropriations in this act to
34 reflect the reduction in state tort expenses. The general fund
35 allotment reduction shall be placed in unallotted status and remain
36 unexpended.

1 If settlement is not executed by June 30, 2004, the appropriation
2 in this section shall lapse.

3 NEW SECTION. **Sec. 713.** A new section is added to 2003 1st sp.s.
4 c 25 (uncodified) to read as follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**
6 **COSTS**

7 General Fund--State Appropriation (FY 2004) \$954,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: The director of financial management shall
10 distribute the appropriation to the following counties in the amounts
11 designated for extraordinary criminal justice costs:

12 King \$807,000
13 Pacific \$147,000

14 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.
15 c 25 (uncodified) to read as follows:

16 **FOR THE OFFICE OF THE GOVERNOR--JOINT TASK FORCE ON MENTAL HEALTH**

17 General Fund--State Appropriation (FY 2005) \$50,000
18 General Fund--Federal Appropriation \$30,000
19 TOTAL APPROPRIATION \$80,000

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

22 (1) The appropriations are provided solely for a joint legislative
23 and executive task force on mental health services delivery and
24 financing. The joint task force shall consist of eight members, as
25 follows: The secretary of the department of social and health services
26 or his or her designee; the president of the Washington state
27 association of counties or his or her designee; a representative from
28 the governor's office; two members of the senate appointed by the
29 president of the senate, one of whom shall be a member of the majority
30 caucus and one of whom shall be a member of the minority caucus; two
31 members of the house of representatives appointed by the speaker of the
32 house of representatives, one of whom shall be a member of the majority
33 caucus and one of whom shall be a member of the minority caucus; and
34 the chair of the joint legislative audit and review committee or his or
35 her designee. Staff support for the joint task force shall be provided

1 by the office of financial management, the house of representatives
2 office of program research, and senate committee services.

3 (2) The joint task force may create advisory committees to assist
4 the joint task force in its work.

5 (3) Joint task force members may be reimbursed for travel expenses
6 as authorized under RCW 43.03.050 and 43.03.060 and chapter 44.04 RCW,
7 as appropriate. Advisory committee members, if appointed, shall not
8 receive compensation or reimbursement for travel or expenses.

9 (4) The joint task force shall assess and make recommendations
10 related to:

11 (a) Progress made by the department of social and health services
12 and the regional support networks (i) towards implementation of a
13 performance-based measurement system that focuses on outcomes for
14 consumers served by the mental health system, and (ii) to reduce
15 duplicative and burdensome administrative and oversight requirements;

16 (b) The funding requirements for mental health services for
17 nonmedicaid consumers for the priority populations under chapter 71.24
18 RCW;

19 (c) The extent to which the current funding distribution
20 methodology achieves equity in funding and access to services for
21 mental health services consumers;

22 (d) The administrative structure of the community mental health
23 system as it relates to effectively meeting the goals established in
24 statute;

25 (e) The most effective and efficient mental health funding and
26 payment models (including capitated managed care), in light of
27 requirements of the federal balanced budget act of 1997 related to
28 state medicaid managed care contracting; and

29 (f) The types, numbers, and locations of inpatient psychiatric
30 hospital and community residential beds in both the private and public
31 sector.

32 (5) The joint task force shall report its initial findings and
33 recommendations to the governor and appropriate committees of the
34 legislature by January 1, 2005, and its final findings and
35 recommendations by June 30, 2005.

36 **Sec. 715.** 2003 1st sp.s. c 25 s 710 (uncodified) is amended to
37 read as follows:

1 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
 2 **RETIREMENT SYSTEMS.** The appropriations in this section are subject
 3 to the following conditions and limitations: The appropriations for
 4 the law enforcement officers' and firefighters' retirement system shall
 5 be made on a monthly basis beginning July 1, 2003, consistent with
 6 chapter 41.45 RCW, and the appropriations for the judges and judicial
 7 retirement systems shall be made on a quarterly basis consistent with
 8 chapters 2.10 and 2.12 RCW.

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

| | | |
|----|---|-------------------------------|
| 11 | General Fund--State Appropriation (FY 2004) | ((\$21,256,000)) |
| 12 | | <u>\$20,256,000</u> |
| 13 | General Fund--State Appropriation (FY 2005) | ((\$20,914,000)) |
| 14 | | <u>\$21,414,000</u> |

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

| | | |
|----|---|------------------------------|
| 17 | General Fund--State Appropriation (FY 2004) | ((\$6,000,000)) |
| 18 | | <u>\$5,995,000</u> |
| 19 | General Fund--State Appropriation (FY 2005) | ((\$6,000,000)) |
| 20 | | <u>\$5,995,000</u> |

21 (3) There is appropriated for contributions to the judges
 22 retirement system:

| | | |
|----|---|-------------------------------|
| 23 | General Fund--State Appropriation (FY 2004) | \$500,000 |
| 24 | General Fund--State Appropriation (FY 2005) | \$500,000 |
| 25 | TOTAL APPROPRIATION | ((\$55,170,000)) |
| 26 | | <u>\$54,660,000</u> |

27 **Sec. 716.** 2003 1st sp.s. c 25 s 720 (uncodified) is amended to
 28 read as follows:

29 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
 30 **COUNTY ASSISTANCE**

| | | |
|----|--|--------------------|
| 31 | General Fund--Federal Appropriation | \$5,000,000 |
| 32 | <u>General Fund--State Appropriation (FY 2005)</u> | <u>\$4,000,000</u> |
| 33 | <u>TOTAL APPROPRIATION</u> | <u>\$9,000,000</u> |

34 The appropriations in this section are subject to the following
 35 conditions and limitations: The director of community, trade, and

1 economic development shall distribute the appropriations in this
2 section to the following counties in the amounts designated:

| | FY 2004 | FY 2005 | |
|----|-----------------------|----------------|--------------------|
| 3 | | | |
| 4 | Adams | \$334,400 | <u>\$267,520</u> |
| 5 | Asotin | \$361,900 | <u>\$289,520</u> |
| 6 | Columbia | \$679,700 | <u>\$543,760</u> |
| 7 | Douglas | \$264,000 | <u>\$211,200</u> |
| 8 | Ferry | \$283,600 | <u>\$226,880</u> |
| 9 | Garfield | \$759,800 | <u>\$607,840</u> |
| 10 | Island | \$66,400 | <u>\$53,120</u> |
| 11 | Lincoln | \$297,700 | <u>\$238,160</u> |
| 12 | Mason | \$298,000 | <u>\$238,400</u> |
| 13 | Okanogan | \$280,000 | <u>\$224,000</u> |
| 14 | Pacific | \$89,700 | <u>\$71,760</u> |
| 15 | Pend Oreille | \$181,600 | <u>\$145,280</u> |
| 16 | Skamania | \$88,000 | <u>\$70,400</u> |
| 17 | Stevens | \$418,000 | <u>\$334,400</u> |
| 18 | Wahkiakum | \$452,900 | <u>\$362,320</u> |
| 19 | Walla Walla | \$144,300 | <u>\$115,440</u> |
| 20 | TOTAL | | |
| 21 | APPROPRIATIONS | \$5,000,000 | <u>\$4,000,000</u> |

22 NEW SECTION. **Sec. 717.** A new section is added to 2003 1st sp.s.
23 c 25 (uncodified) to read as follows:

24 **AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT, AND CONTRACTS.** The
25 office of financial management shall reduce allotments for all agencies
26 for personal service contracts, equipment, and travel by \$11,400,000
27 from fiscal year 2005 general fund--state appropriations in this act to
28 reflect the elimination of expenditures identified in LEAP document
29 2004-32, a computerized tabulation developed by the legislative
30 evaluation and accountability program committee on January 23, 2004.
31 The general fund allotment reduction shall be placed in unallotted
32 status and remain unexpended.

33 NEW SECTION. **Sec. 718.** A new section is added to chapter 43.330
34 RCW to read as follows:

35 **HOMELESS FAMILIES SERVICES FUND.** (1)(a) There is created in the

1 custody of the state treasurer an account to be known as the homeless
2 families services fund. Revenues to the fund consist of a one-time
3 appropriation by the legislature, private contributions, and all other
4 sources deposited in the fund.

5 (b) Expenditures from the fund may only be used for the purposes of
6 the program established in this section, including administrative
7 expenses. Only the director of the department of community, trade, and
8 economic development, or the director's designee, may authorize
9 expenditures.

10 (c) Expenditures from the fund are exempt from appropriations and
11 the allotment provisions of chapter 43.88 RCW. However, money used for
12 program administration by the department is subject to the allotment
13 and budgetary controls of chapter 43.88 RCW, and an appropriation is
14 required for these expenditures.

15 (2) The department may expend moneys from the fund to provide state
16 matching funds for housing-based supportive services for homeless
17 families over a period of at least ten years.

18 (3) Activities eligible for funding through the fund include, but
19 are not limited to, the following:

20 (a) Case management;

21 (b) Counseling;

22 (c) Referrals to employment support and job training services and
23 direct employment support and job training services;

24 (d) Domestic violence services and programs;

25 (e) Mental health treatment, services, and programs;

26 (f) Substance abuse treatment, services, and programs;

27 (g) Parenting skills education and training;

28 (h) Transportation assistance;

29 (i) Child care; and

30 (j) Other supportive services identified by the department to be an
31 important link for housing stability.

32 (4) Organizations that may receive funds from the fund include
33 local housing authorities, nonprofit community or neighborhood-based
34 organizations, public development authorities, federally recognized
35 Indian tribes in the state, and regional or statewide nonprofit housing
36 assistance organizations.

(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 (~~(\$57,511,693)~~)
2 \$57,369,693
3 TOTAL APPROPRIATION (~~(\$268,374,916)~~)
4 \$270,907,492

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 (~~(\$1,632,000)~~)
23 \$7,285,000
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 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 \$5,500,000
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 \$46,250,000
35 K-20 Technology Account: For transfer to the state
36 general fund \$1,281
37 Gambling Revolving Fund, Nontribal Sources: For
38 transfer to the state general fund \$2,500,000

| | | |
|----|---|------------------|
| 1 | <u>State Building Construction Account: For transfer</u> | |
| 2 | <u>to the conservation assistance revolving account</u> | <u>\$500,000</u> |
| 3 | <u>Wildlife Account: For transfer to the special</u> | |
| 4 | <u>wildlife account, \$250,000 in fiscal year 2004</u> | |
| 5 | <u>and \$250,000 in fiscal year 2005</u> | <u>\$500,000</u> |
| 6 | <u>Education Technology Revolving Account: For transfer</u> | |
| 7 | <u>to the data processing revolving account</u> | <u>\$296,000</u> |
| 8 | <u>Digital Government Revolving Account: For transfer</u> | |
| 9 | <u>to the data processing revolving account</u> | <u>\$154,000</u> |
| 10 | <u>Gambling Revolving Fund: For transfer to the problem</u> | |
| 11 | <u>gambling treatment account. If Second Substitute</u> | |
| 12 | <u>House Bill No. 2776 is not enacted by June 30, 2004,</u> | |
| 13 | <u>this amount shall be transferred to the general</u> | |
| 14 | <u>fund</u> | <u>\$500,000</u> |

15 **Sec. 803.** 2003 1st sp.s. c 25 s 806 (uncodified) is amended to
16 read as follows:

17 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS**

| | | |
|----|--|---------------------------|
| 18 | General Fund--State Appropriation: For | |
| 19 | transfer to the department of retirement | |
| 20 | systems expense account: For the | |
| 21 | administrative expenses of the judicial | |
| 22 | retirement system | ((\$21,901)) |
| 23 | | <u>\$12,000</u> |

(End of part)

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, contingent on enactment of chapter ..., Laws of 2004
14 (Second Substitute House Bill No. 2776, problem gambling treatment).
15 Also during the 2003-2005 fiscal biennium, the legislature may transfer
16 from the gambling revolving fund to the state general fund such amounts
17 as reflect the excess nontribal fund balance of the fund (~~and~~
18 ~~reductions made by the 2002 supplemental appropriations act for~~
19 ~~administrative efficiencies and savings)). The commission shall not
20 increase fees during the 2003-2005 fiscal biennium for the purpose of
21 restoring the excess fund balance transferred under this section.~~

22 **Sec. 904.** RCW 28A.160.195 and 1995 1st sp.s. c 10 s 1 are each
23 amended to read as follows:

24 (1) The superintendent of public instruction, in consultation with
25 the regional transportation coordinators of the educational service
26 districts, shall establish a minimum number of school bus categories
27 considering the capacity and type of vehicles required by school
28 districts in Washington. The superintendent, in consultation with the
29 regional transportation coordinators of the educational service
30 districts, shall establish competitive specifications for each category
31 of school bus. The categories shall be developed to produce minimum
32 long-range operating costs, including costs of equipment and all costs
33 in operating the vehicles. The categories, for purposes of comparative
34 studies, will be at a minimum the same as those in the beginning of the
35 1994-95 school year. The competitive specifications shall meet federal
36 motor vehicle safety standards, minimum state specifications as
37 established by rule by the superintendent, and supported options as

1 determined by the superintendent in consultation with the regional
2 transportation coordinators of the educational service districts. In
3 fiscal year 2005, the superintendent may solicit and accept price
4 quotes for a rear-engine category school bus that shall be reimbursed
5 at the price of the corresponding front engine category.

6 (2) After establishing school bus categories and competitive
7 specifications, the superintendent of public instruction shall solicit
8 competitive price quotes from school bus dealers to be in effect for
9 one year and shall (a) except in fiscal year 2005, establish a list of
10 the lowest competitive price quotes obtained under this subsection, and
11 (b) in fiscal year 2005, establish a list of all accepted price quotes
12 in each category obtained under this subsection.

13 (3) The superintendent shall base the level of reimbursement to
14 school districts and educational service districts for school buses on
15 the lowest quote in each category.

16 (4) Notwithstanding RCW 28A.335.190, school districts and
17 educational service districts may purchase at the quoted price directly
18 from the dealer who is providing the lowest competitive price quote on
19 the list established under subsection (2) of this section and in fiscal
20 year 2005 from any dealer on the list established under subsection
21 (2)(b) of this section. School districts and educational service
22 districts may make their own selections for school buses, but shall be
23 reimbursed at the rates determined under (~~this section~~) subsection
24 (3) of this section and RCW 28A.160.200. District-selected options
25 shall not be reimbursed by the state. For the 2003-05 fiscal biennium,
26 school districts and educational service districts shall be reimbursed
27 for buses purchased only through a lowest-price competitive bid process
28 conducted pursuant to RCW 28A.335.190 or through the state bid process
29 established by this section.

30 (5) This section does not prohibit school districts or educational
31 service districts from conducting their own competitive bid process.

32 (6) The superintendent of public instruction may adopt rules under
33 chapter 34.05 RCW to implement this section.

34 **Sec. 905.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
35 read as follows:

36 The higher education coordinating board shall establish a planning
37 committee to develop criteria for the screening and selection of

1 recipients of the conditional scholarships. These criteria shall
2 emphasize factors demonstrating excellence including but not limited to
3 superior scholastic achievement, leadership ability, community
4 contributions, and an ability to act as a role model for targeted
5 ethnic minority students. These criteria also may include, for
6 approximately half of the recipients, requirements that those
7 recipients meet the definition of "needy student" under RCW 28B.10.802.

8 Subject to enactment of chapter . . . , Laws of 2004 (SHB 2708), for
9 fiscal year 2005, additional priority shall be given to such
10 individuals who are also bilingual. It is the intent of the
11 legislature to develop a pool of dual-language teachers in order to
12 meet the challenge of educating students who are dominant in languages
13 other than English.

14 **Sec. 906.** RCW 28B.119.010 and 2003 c 233 s 5 are each amended to
15 read as follows:

16 The higher education coordinating board shall design the Washington
17 promise scholarship program based on the following parameters:

18 (1) Scholarships shall be awarded to students graduating from
19 public and approved private high schools under chapter 28A.195 RCW,
20 students participating in home-based instruction as provided in chapter
21 28A.200 RCW, and persons twenty-one years of age or younger receiving
22 a GED certificate, who meet both an academic and a financial
23 eligibility criteria.

24 (a) Academic eligibility criteria shall be defined as follows:

25 (i) Beginning with the graduating class of 2002, students
26 graduating from public and approved private high schools under chapter
27 28A.195 RCW must be in the top fifteen percent of their graduating
28 class, as identified by each respective high school at the completion
29 of the first term of the student's senior year; or

30 (ii) Students graduating from public high schools, approved private
31 high schools under chapter 28A.195 RCW, students participating in home-
32 based instruction as provided in chapter 28A.200 RCW, and persons
33 twenty-one years of age or younger receiving a GED certificate, must
34 equal or exceed a cumulative scholastic assessment test I score of
35 twelve hundred on their first attempt or must equal or exceed a
36 composite American college test score of twenty-seven on their first
37 attempt.

1 (b) To meet the financial eligibility criteria, a student's family
2 income shall not exceed one hundred thirty-five percent of the state
3 median family income adjusted for family size, as determined by the
4 higher education coordinating board for each graduating class.
5 Students not meeting the eligibility requirements for the first year of
6 scholarship benefits may reapply for the second year of benefits, but
7 must still meet the income standard set by the board for the student's
8 graduating class. Beginning with the graduating class of 2004, a
9 student's family income shall not exceed one hundred twenty percent of
10 the state median family income adjusted for family size, as determined
11 by the higher education coordinating board.

12 (2) Promise scholarships are not intended to supplant any grant,
13 scholarship, or tax program related to postsecondary education. If the
14 board finds that promise scholarships supplant or reduce any grant,
15 scholarship, or tax program for categories of students, then the board
16 shall adjust the financial eligibility criteria or the amount of
17 scholarship to the level necessary to avoid supplanting.

18 (3) Within available funds, each qualifying student shall receive
19 two consecutive annual awards, the value of each not to exceed the
20 full-time annual resident tuition rates charged by Washington's
21 community colleges. The higher education coordinating board shall
22 award scholarships to as many students as possible from among those
23 qualifying under this section.

24 (4) By October 15th of each year, the board shall determine the
25 award amount of the scholarships, after taking into consideration the
26 availability of funds.

27 (5) The scholarships may only be used for undergraduate coursework
28 at accredited institutions of higher education in the state of
29 Washington.

30 (6) The scholarships may be used for undergraduate coursework at
31 Oregon institutions of higher education that are part of the border
32 county higher education opportunity project in RCW 28B.80.806 when
33 those institutions offer programs not available at accredited
34 institutions of higher education in Washington state.

35 (7) The scholarships may be used for college-related expenses,
36 including but not limited to, tuition, room and board, books, and
37 materials.

1 (8) The scholarships may not be awarded to any student who is
2 pursuing a degree in theology.

3 (9) The higher education coordinating board may establish
4 satisfactory progress standards for the continued receipt of the
5 promise scholarship.

6 (10) The higher education coordinating board shall establish the
7 time frame within which the student must use the scholarship.

8 **Sec. 907.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
9 to read as follows:

10 (1) The proceeds from the sale of the bonds authorized herein shall
11 be deposited in the state building construction account which is hereby
12 established in the state treasury and shall be used exclusively for the
13 purposes of carrying out the provisions of the capital appropriation
14 acts, and for payment of the expense incurred in the printing,
15 issuance, and sale of such bonds.

16 (2) During the 2003-2005 biennium, the legislature may transfer
17 moneys from the state building construction account to the conservation
18 assistance revolving account such amounts as reflect the excess fund
19 balance of the account.

20 **Sec. 908.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
21 read as follows:

22 (1) The director of financial management shall provide all agencies
23 with a complete set of instructions for submitting biennial budget
24 requests to the director at least three months before agency budget
25 documents are due into the office of financial management. The
26 director shall provide agencies and committees that are required under
27 RCW 44.40.070 to develop comprehensive six-year program and financial
28 plans with a complete set of instructions for submitting these program
29 and financial plans at the same time that instructions for submitting
30 other budget requests are provided. The budget document or documents
31 shall consist of the governor's budget message which shall be
32 explanatory of the budget and shall contain an outline of the proposed
33 financial policies of the state for the ensuing fiscal period, as well
34 as an outline of the proposed six-year financial policies where
35 applicable, and shall describe in connection therewith the important
36 features of the budget. The message shall set forth the reasons for

1 salient changes from the previous fiscal period in expenditure and
2 revenue items and shall explain any major changes in financial policy.
3 Attached to the budget message shall be such supporting schedules,
4 exhibits and other explanatory material in respect to both current
5 operations and capital improvements as the governor shall deem to be
6 useful to the legislature. The budget document or documents shall set
7 forth a proposal for expenditures in the ensuing fiscal period, or six-
8 year period where applicable, based upon the estimated revenues and
9 caseloads as approved by the economic and revenue forecast council and
10 caseload forecast council or upon the estimated revenues and caseloads
11 of the office of financial management for those funds, accounts,
12 sources, and programs for which the forecast councils do not prepare an
13 official forecast, including those revenues anticipated to support the
14 six-year programs and financial plans under RCW 44.40.070. In
15 estimating revenues to support financial plans under RCW 44.40.070, the
16 office of financial management shall rely on information and advice
17 from the transportation revenue forecast council. Revenues shall be
18 estimated for such fiscal period from the source and at the rates
19 existing by law at the time of submission of the budget document,
20 including the supplemental budgets submitted in the even-numbered years
21 of a biennium. However, the estimated revenues and caseloads for use
22 in the governor's budget document may be adjusted to reflect budgetary
23 revenue transfers and revenue and caseload estimates dependent upon
24 budgetary assumptions of enrollments, workloads, and caseloads. All
25 adjustments to the approved estimated revenues and caseloads must be
26 set forth in the budget document. The governor may additionally
27 submit, as an appendix to each supplemental, biennial, or six-year
28 agency budget or to the budget document or documents, a proposal for
29 expenditures in the ensuing fiscal period from revenue sources derived
30 from proposed changes in existing statutes.

31 Supplemental and biennial documents shall reflect a six-year
32 expenditure plan consistent with estimated revenues from existing
33 sources and at existing rates for those agencies required to submit
34 six-year program and financial plans under RCW 44.40.070. Any
35 additional revenue resulting from proposed changes to existing statutes
36 shall be separately identified within the document as well as related
37 expenditures for the six-year period.

38 The budget document or documents shall also contain:

1 (a) Revenues classified by fund and source for the immediately past
2 fiscal period, those received or anticipated for the current fiscal
3 period, those anticipated for the ensuing biennium, and those
4 anticipated for the ensuing six-year period to support the six-year
5 programs and financial plans required under RCW 44.40.070;

6 (b) The undesignated fund balance or deficit, by fund;

7 (c) Such additional information dealing with expenditures,
8 revenues, workload, performance, and personnel as the legislature may
9 direct by law or concurrent resolution;

10 (d) Such additional information dealing with revenues and
11 expenditures as the governor shall deem pertinent and useful to the
12 legislature;

13 (e) Tabulations showing expenditures classified by fund, function,
14 activity, and agency. However, documents submitted for the ((2003-05))
15 2005-07 biennial budget request need not show expenditures by activity;

16 (f) A delineation of each agency's activities, including those
17 activities funded from nonbudgeted, nonappropriated sources, including
18 funds maintained outside the state treasury;

19 (g) Identification of all proposed direct expenditures to implement
20 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
21 agency and in total; and

22 (h) Tabulations showing each postretirement adjustment by
23 retirement system established after fiscal year 1991, to include, but
24 not be limited to, estimated total payments made to the end of the
25 previous biennial period, estimated payments for the present biennium,
26 and estimated payments for the ensuing biennium.

27 (2) The budget document or documents shall include detailed
28 estimates of all anticipated revenues applicable to proposed operating
29 or capital expenditures and shall also include all proposed operating
30 or capital expenditures. The total of beginning undesignated fund
31 balance and estimated revenues less working capital and other reserves
32 shall equal or exceed the total of proposed applicable expenditures.
33 The budget document or documents shall further include:

34 (a) Interest, amortization and redemption charges on the state
35 debt;

36 (b) Payments of all reliefs, judgments, and claims;

37 (c) Other statutory expenditures;

38 (d) Expenditures incident to the operation for each agency;

1 (e) Revenues derived from agency operations;

2 (f) Expenditures and revenues shall be given in comparative form
3 showing those incurred or received for the immediately past fiscal
4 period and those anticipated for the current biennium and next ensuing
5 biennium, as well as those required to support the six-year programs
6 and financial plans required under RCW 44.40.070;

7 (g) A showing and explanation of amounts of general fund and other
8 funds obligations for debt service and any transfers of moneys that
9 otherwise would have been available for appropriation;

10 (h) Common school expenditures on a fiscal-year basis;

11 (i) A showing, by agency, of the value and purpose of financing
12 contracts for the lease/purchase or acquisition of personal or real
13 property for the current and ensuing fiscal periods; and

14 (j) A showing and explanation of anticipated amounts of general
15 fund and other funds required to amortize the unfunded actuarial
16 accrued liability of the retirement system specified under chapter
17 41.45 RCW, and the contributions to meet such amortization, stated in
18 total dollars and as a level percentage of total compensation.

19 (3) A separate capital budget document or schedule shall be
20 submitted that will contain the following:

21 (a) A statement setting forth a long-range facilities plan for the
22 state that identifies and includes the highest priority needs within
23 affordable spending levels;

24 (b) A capital program consisting of proposed capital projects for
25 the next biennium and the two biennia succeeding the next biennium
26 consistent with the long-range facilities plan. Inasmuch as is
27 practical, and recognizing emergent needs, the capital program shall
28 reflect the priorities, projects, and spending levels proposed in
29 previously submitted capital budget documents in order to provide a
30 reliable long-range planning tool for the legislature and state
31 agencies;

32 (c) A capital plan consisting of proposed capital spending for at
33 least four biennia succeeding the next biennium;

34 (d) A strategic plan for reducing backlogs of maintenance and
35 repair projects. The plan shall include a prioritized list of specific
36 facility deficiencies and capital projects to address the deficiencies
37 for each agency, cost estimates for each project, a schedule for

1 completing projects over a reasonable period of time, and
2 identification of normal maintenance activities to reduce future
3 backlogs;

4 (e) A statement of the reason or purpose for a project;

5 (f) Verification that a project is consistent with the provisions
6 set forth in chapter 36.70A RCW;

7 (g) A statement about the proposed site, size, and estimated life
8 of the project, if applicable;

9 (h) Estimated total project cost;

10 (i) For major projects valued over five million dollars, estimated
11 costs for the following project components: Acquisition, consultant
12 services, construction, equipment, project management, and other costs
13 included as part of the project. Project component costs shall be
14 displayed in a standard format defined by the office of financial
15 management to allow comparisons between projects;

16 (j) Estimated total project cost for each phase of the project as
17 defined by the office of financial management;

18 (k) Estimated ensuing biennium costs;

19 (l) Estimated costs beyond the ensuing biennium;

20 (m) Estimated construction start and completion dates;

21 (n) Source and type of funds proposed;

22 (o) Estimated ongoing operating budget costs or savings resulting
23 from the project, including staffing and maintenance costs;

24 (p) For any capital appropriation requested for a state agency for
25 the acquisition of land or the capital improvement of land in which the
26 primary purpose of the acquisition or improvement is recreation or
27 wildlife habitat conservation, the capital budget document, or an
28 omnibus list of recreation and habitat acquisitions provided with the
29 governor's budget document, shall identify the projected costs of
30 operation and maintenance for at least the two biennia succeeding the
31 next biennium. Omnibus lists of habitat and recreation land
32 acquisitions shall include individual project cost estimates for
33 operation and maintenance as well as a total for all state projects
34 included in the list. The document shall identify the source of funds
35 from which the operation and maintenance costs are proposed to be
36 funded;

37 (q) Such other information bearing upon capital projects as the
38 governor deems to be useful;

1 (r) Standard terms, including a standard and uniform definition of
2 normal maintenance, for all capital projects;

3 (s) Such other information as the legislature may direct by law or
4 concurrent resolution.

5 For purposes of this subsection (3), the term "capital project"
6 shall be defined subsequent to the analysis, findings, and
7 recommendations of a joint committee comprised of representatives from
8 the house capital appropriations committee, senate ways and means
9 committee, legislative transportation committee, legislative evaluation
10 and accountability program committee, and office of financial
11 management.

12 (4) No change affecting the comparability of agency or program
13 information relating to expenditures, revenues, workload, performance
14 and personnel shall be made in the format of any budget document or
15 report presented to the legislature under this section or RCW
16 43.88.160(1) relative to the format of the budget document or report
17 which was presented to the previous regular session of the legislature
18 during an odd-numbered year without prior legislative concurrence.
19 Prior legislative concurrence shall consist of (a) a favorable majority
20 vote on the proposal by the standing committees on ways and means of
21 both houses if the legislature is in session or (b) a favorable
22 majority vote on the proposal by members of the legislative evaluation
23 and accountability program committee if the legislature is not in
24 session.

25 **Sec. 909.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
26 read as follows:

27 (1) The K-20 technology account is hereby created in the state
28 treasury. The department of information services shall deposit into
29 the account moneys received from legislative appropriations, gifts,
30 grants, and endowments for the buildout and installation of the K-20
31 telecommunication system. The account shall be subject to
32 appropriation and may be expended solely for the K-20 telecommunication
33 system. Disbursements from the account shall be on authorization of
34 the director of the department of information services with approval of
35 the board.

36 (2) During the 2003-2005 biennium, the legislature may transfer

1 moneys from the K-20 technology account to the state general fund such
2 amounts as reflect the excess fund balance of the account.

3 **Sec. 910.** RCW 43.105.835 and 1999 c 285 s 10 are each amended to
4 read as follows:

5 (1) The education technology revolving fund is created in the
6 custody of the state treasurer. All receipts from billings under
7 subsection (2) of this section must be deposited in the revolving fund.
8 Only the director of the department of information services or the
9 director's designee may authorize expenditures from the fund. The
10 revolving fund shall be used to pay for network operations, transport,
11 equipment, software, supplies, and services, maintenance and
12 depreciation of on-site data, and shared infrastructure, and other
13 costs incidental to the development, operation, and administration of
14 shared educational information technology services, telecommunications,
15 and systems. The revolving fund shall not be used for the acquisition,
16 maintenance, or operations of local telecommunications infrastructure
17 or the maintenance or depreciation of on-premises video equipment
18 specific to a particular institution or group of institutions.

19 (2) The revolving fund and all disbursements from the revolving
20 fund are subject to the allotment procedure under chapter 43.88 RCW,
21 but an appropriation is not required for expenditures. The department
22 of information services shall, in consultation with entities connected
23 to the network under RCW 43.105.820 and subject to the review and
24 approval of the office of financial management, establish and implement
25 a billing structure for network services identified in subsection (1)
26 of this section.

27 (3) The department shall charge those public entities connected to
28 the K-20 telecommunications [telecommunication system] under RCW
29 43.105.820 an annual copayment per unit of transport connection as
30 determined by the legislature after consideration of the K-20 board's
31 recommendations. This copayment shall be deposited into the revolving
32 fund to be used for the purposes in subsection (1) of this section. It
33 is the intent of the legislature to appropriate to the revolving fund
34 such moneys as necessary to cover the costs for transport, maintenance,
35 and depreciation of data equipment located at the individual public
36 institutions, maintenance and depreciation of the network backbone, and
37 services provided to the network under RCW 43.105.815.

1 (4) During the 2003-05 biennium, the legislature may transfer
2 moneys from the education technology revolving fund to the state
3 general fund and the data processing revolving fund such amounts as
4 reflect the excess fund balance of the account.

5 **Sec. 911.** RCW 49.70.170 and 2001 2nd sp.s. c 7 s 913 are each
6 amended to read as follows:

7 (1) The worker and community right to know fund is hereby
8 established in the custody of the state treasurer. The department
9 shall deposit all moneys received under this chapter in the fund.
10 Moneys in the fund may be spent only for the purposes of this chapter
11 following legislative appropriation. Disbursements from the fund shall
12 be on authorization of the director or the director's designee. During
13 the ~~((2001-))~~2003-2005 fiscal biennium, moneys in the fund may also be
14 used by the military department for the purpose of assisting the state
15 emergency response commission and coordinating local emergency planning
16 activities. The fund is subject to the allotment procedure provided
17 under chapter 43.88 RCW.

18 (2) The department shall assess each employer who reported ten
19 thousand four hundred or more worker hours in the prior calendar year
20 an annual fee to provide for the implementation of this chapter. The
21 department shall promulgate rules establishing a fee schedule for all
22 employers who reported ten thousand four hundred or more worker hours
23 in the prior calendar year and are engaged in business operations
24 having a standard industrial classification, as designated in the
25 standard industrial classification manual prepared by the federal
26 office of management and budget, within major group numbers 01 through
27 08 (agriculture and forestry industries), numbers 10 through 14 (mining
28 industries), numbers 15 through 17 (construction industries), numbers
29 20 through 39 (manufacturing industries), numbers 41, 42, and 44
30 through 49 (transportation, communications, electric, gas, and sanitary
31 services), number 75 (automotive repair, services, and garages), number
32 76 (miscellaneous repair services), number 80 (health services), and
33 number 82 (educational services). The department shall establish the
34 annual fee for each employer who reported ten thousand four hundred or
35 more worker hours in the prior calendar year in industries identified
36 by this section, provided that fees assessed shall not be more than two
37 dollars and fifty cents per full time equivalent employee. The annual

1 fee shall not exceed fifty thousand dollars. The fees shall be
2 collected solely from employers whose industries have been identified
3 by rule under this chapter. The department shall promulgate rules
4 allowing employers who do not have hazardous substances at their
5 workplace to request an exemption from the assessment and shall
6 establish penalties for fraudulent exemption requests. All fees
7 collected by the department pursuant to this section shall be collected
8 in a cost-efficient manner and shall be deposited in the fund.

9 (3) Records required by this chapter shall at all times be open to
10 the inspection of the director, or his designee including, the
11 traveling auditors, agents or assistants of the department provided for
12 in RCW 51.16.070 and 51.48.040. The information obtained from employer
13 records under the provisions of this section shall be subject to the
14 same confidentiality requirements as set forth in RCW 51.16.070.

15 (4) An employer may appeal the assessment of the fee or penalties
16 pursuant to the procedures set forth in Title 51 RCW and accompanying
17 rules except that the employer shall not have the right of appeal to
18 superior court as provided in Title 51 RCW. The employer from whom the
19 fee or penalty is demanded or enforced, may however, within thirty days
20 of the board of industrial insurance appeal's final order, pay the fee
21 or penalty under written protest setting forth all the grounds upon
22 which such fee or penalty is claimed to be unlawful, excessive or
23 otherwise improper and thereafter bring an action in superior court
24 against the department to recover such fee or penalty or any portion of
25 the fee or penalty which was paid under protest.

26 (5) Repayment shall be made to the general fund of any moneys
27 appropriated by law in order to implement this chapter.

28 **Sec. 912.** RCW 69.50.520 and 2003 1st sp.s. c 25 s 930 are each
29 amended to read as follows:

30 The violence reduction and drug enforcement account is created in
31 the state treasury. All designated receipts from RCW 9.41.110(8),
32 66.24.210(4), 66.24.290(2), 69.50.505(~~((i)(1))~~) (9)(a), 82.08.150(5),
33 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
34 shall be deposited into the account. Expenditures from the account may
35 be used only for funding services and programs under chapter 271, Laws
36 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
37 incarceration costs. Funds from the account may also be appropriated

1 to reimburse local governments for costs associated with implementing
2 criminal justice legislation including chapter 338, Laws of 1997.
3 During the 2003-2005 biennium, funds from the account may also be used
4 for costs associated with providing grants to local governments in
5 accordance with chapter 338, Laws of 1997, funding drug offender
6 treatment services in accordance with RCW 70.96A.350, maintenance and
7 operating costs of the Washington association of sheriffs and police
8 chiefs jail reporting system, maintenance and operating costs of the
9 juvenile rehabilitation administration's client activity tracking
10 system, civil indigent legal representation, multijurisdictional
11 narcotics task forces, and grants to community networks under chapter
12 70.190 RCW by the family policy council.

13 **Sec. 913.** RCW 74.46.431 and 2001 1st sp.s. c 8 s 5 are each
14 amended to read as follows:

15 (1) Effective July 1, 1999, nursing facility medicaid payment rate
16 allocations shall be facility-specific and shall have seven components:
17 Direct care, therapy care, support services, operations, property,
18 financing allowance, and variable return. The department shall
19 establish and adjust each of these components, as provided in this
20 section and elsewhere in this chapter, for each medicaid nursing
21 facility in this state.

22 (2) All component rate allocations for essential community
23 providers as defined in this chapter shall be based upon a minimum
24 facility occupancy of eighty-five percent of licensed beds, regardless
25 of how many beds are set up or in use. For all facilities other than
26 essential community providers, effective July 1, 2001, component rate
27 allocations in direct care, therapy care, support services, variable
28 return, operations, property, and financing allowance shall continue to
29 be based upon a minimum facility occupancy of eighty-five percent of
30 licensed beds. For all facilities other than essential community
31 providers, effective July 1, 2002, the component rate allocations in
32 operations, property, and financing allowance shall be based upon a
33 minimum facility occupancy of ninety percent of licensed beds,
34 regardless of how many beds are set up or in use.

35 (3) Information and data sources used in determining medicaid
36 payment rate allocations, including formulas, procedures, cost report
37 periods, resident assessment instrument formats, resident assessment

1 methodologies, and resident classification and case mix weighting
2 methodologies, may be substituted or altered from time to time as
3 determined by the department.

4 (4)(a) Direct care component rate allocations shall be established
5 using adjusted cost report data covering at least six months. Adjusted
6 cost report data from 1996 will be used for October 1, 1998, through
7 June 30, 2001, direct care component rate allocations; adjusted cost
8 report data from 1999 will be used for July 1, 2001, through June 30,
9 ((2004)) 2005, direct care component rate allocations.

10 (b) Direct care component rate allocations based on 1996 cost
11 report data shall be adjusted annually for economic trends and
12 conditions by a factor or factors defined in the biennial
13 appropriations act. A different economic trends and conditions
14 adjustment factor or factors may be defined in the biennial
15 appropriations act for facilities whose direct care component rate is
16 set equal to their adjusted June 30, 1998, rate, as provided in RCW
17 74.46.506(5)(i).

18 (c) Direct care component rate allocations based on 1999 cost
19 report data shall be adjusted annually for economic trends and
20 conditions by a factor or factors defined in the biennial
21 appropriations act. A different economic trends and conditions
22 adjustment factor or factors may be defined in the biennial
23 appropriations act for facilities whose direct care component rate is
24 set equal to their adjusted June 30, 1998, rate, as provided in RCW
25 74.46.506(5)(i).

26 (5)(a) Therapy care component rate allocations shall be established
27 using adjusted cost report data covering at least six months. Adjusted
28 cost report data from 1996 will be used for October 1, 1998, through
29 June 30, 2001, therapy care component rate allocations; adjusted cost
30 report data from 1999 will be used for July 1, 2001, through June 30,
31 ((2004)) (2005), therapy care component rate allocations.

32 (b) Therapy care component rate allocations shall be adjusted
33 annually for economic trends and conditions by a factor or factors
34 defined in the biennial appropriations act.

35 (6)(a) Support services component rate allocations shall be
36 established using adjusted cost report data covering at least six
37 months. Adjusted cost report data from 1996 shall be used for October
38 1, 1998, through June 30, 2001, support services component rate

1 allocations; adjusted cost report data from 1999 shall be used for July
2 1, 2001, through June 30, (~~2004~~) 2005, support services component
3 rate allocations.

4 (b) Support services component rate allocations shall be adjusted
5 annually for economic trends and conditions by a factor or factors
6 defined in the biennial appropriations act.

7 (7)(a) Operations component rate allocations shall be established
8 using adjusted cost report data covering at least six months. Adjusted
9 cost report data from 1996 shall be used for October 1, 1998, through
10 June 30, 2001, operations component rate allocations; adjusted cost
11 report data from 1999 shall be used for July 1, 2001, through June 30,
12 (~~2004~~) 2005, operations component rate allocations.

13 (b) Operations component rate allocations shall be adjusted
14 annually for economic trends and conditions by a factor or factors
15 defined in the biennial appropriations act.

16 (8) For July 1, 1998, through September 30, 1998, a facility's
17 property and return on investment component rates shall be the
18 facility's June 30, 1998, property and return on investment component
19 rates, without increase. For October 1, 1998, through June 30, 1999,
20 a facility's property and return on investment component rates shall be
21 rebased utilizing 1997 adjusted cost report data covering at least six
22 months of data.

23 (9) Total payment rates under the nursing facility medicaid payment
24 system shall not exceed facility rates charged to the general public
25 for comparable services.

26 (10) Medicaid contractors shall pay to all facility staff a minimum
27 wage of the greater of the state minimum wage or the federal minimum
28 wage.

29 (11) The department shall establish in rule procedures, principles,
30 and conditions for determining component rate allocations for
31 facilities in circumstances not directly addressed by this chapter,
32 including but not limited to: The need to prorate inflation for
33 partial-period cost report data, newly constructed facilities, existing
34 facilities entering the medicaid program for the first time or after a
35 period of absence from the program, existing facilities with expanded
36 new bed capacity, existing medicaid facilities following a change of
37 ownership of the nursing facility business, facilities banking beds or
38 converting beds back into service, facilities temporarily reducing the

1 number of set-up beds during a remodel, facilities having less than six
2 months of either resident assessment, cost report data, or both, under
3 the current contractor prior to rate setting, and other circumstances.

4 (12) The department shall establish in rule procedures, principles,
5 and conditions, including necessary threshold costs, for adjusting
6 rates to reflect capital improvements or new requirements imposed by
7 the department or the federal government. Any such rate adjustments
8 are subject to the provisions of RCW 74.46.421.

9 (13) Effective July 1, 2001, medicaid rates shall continue to be
10 revised downward in all components, in accordance with department
11 rules, for facilities converting banked beds to active service under
12 chapter 70.38 RCW, by using the facility's increased licensed bed
13 capacity to recalculate minimum occupancy for rate setting. However,
14 for facilities other than essential community providers which bank beds
15 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be
16 revised upward, in accordance with department rules, in direct care,
17 therapy care, support services, and variable return components only, by
18 using the facility's decreased licensed bed capacity to recalculate
19 minimum occupancy for rate setting, but no upward revision shall be
20 made to operations, property, or financing allowance component rates.

21 (14) Facilities obtaining a certificate of need or a certificate of
22 need exemption under chapter 70.38 RCW after June 30, 2001, must have
23 a certificate of capital authorization in order for (a) the
24 depreciation resulting from the capitalized addition to be included in
25 calculation of the facility's property component rate allocation; and
26 (b) the net invested funds associated with the capitalized addition to
27 be included in calculation of the facility's financing allowance rate
28 allocation.

29 **Sec. 914.** RCW 79.90.245 and 2002 c 371 s 923 are each amended to
30 read as follows:

31 After deduction for management costs as provided in RCW 79.64.040
32 and payments to towns under RCW 79.92.110(2), all moneys received by
33 the state from the sale or lease of state-owned aquatic lands and from
34 the sale of valuable material from state-owned aquatic lands shall be
35 deposited in the aquatic lands enhancement account which is hereby
36 created in the state treasury. After appropriation, these funds shall
37 be used solely for aquatic lands enhancement projects; for the

1 purchase, improvement, or protection of aquatic lands for public
2 purposes; for providing and improving access to such lands; and for
3 volunteer cooperative fish and game projects.

4 In providing grants for aquatic lands enhancement projects, the
5 department shall require grant recipients to incorporate the
6 environmental benefits of the project into their grant applications,
7 and the department shall utilize the statement of environmental
8 benefits in its prioritization and selection process. The department
9 shall also develop appropriate outcome-focused performance measures to
10 be used both for management and performance assessment of the grants.
11 To the extent possible, the department should coordinate its
12 performance measure system with other natural resource-related agencies
13 as defined in RCW 43.41.270. The department shall consult with
14 affected interest groups in implementing this section.

15 During the fiscal biennium ending June 30, (~~2003~~) 2005, the funds
16 may be appropriated for boating safety, settlement costs for aquatic
17 lands cleanup, and shellfish management, enforcement, and enhancement.

18 NEW SECTION. **Sec. 915.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 916.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

(End of part)

| INDEX | PAGE # |
|--|--------|
| ADMINISTRATOR FOR THE COURTS | 8 |
| AGENCY EXPENDITURES FOR MOTOR VEHICLES | 208 |
| AGENCY EXPENDITURES FOR TORT LIABILITY. | 195 |
| AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT, AND CONTRACTS | 201 |
| ATTORNEY GENERAL | 15 |
| BOARD OF TAX APPEALS | 31 |
| CASELOAD FORECAST COUNCIL | 16 |
| CENTRAL WASHINGTON UNIVERSITY | 178 |
| CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS | 15 |
| CONSERVATION COMMISSION | 106 |
| COURT OF APPEALS | 7 |
| CRIMINAL JUSTICE TRAINING COMMISSION | 93 |
| DEPARTMENT OF AGRICULTURE | 116 |
| DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT | 16 |
| COUNTY ASSISTANCE | 200 |
| DEPARTMENT OF CORRECTIONS | 88 |
| DEPARTMENT OF ECOLOGY | 97 |
| DEPARTMENT OF FISH AND WILDLIFE | 107 |
| DEPARTMENT OF GENERAL ADMINISTRATION | 32 |
| DEPARTMENT OF HEALTH | 84 |
| DEPARTMENT OF INFORMATION SERVICES | 34 |
| DEPARTMENT OF LABOR AND INDUSTRIES | 81 |
| DEPARTMENT OF LICENSING | 118 |
| DEPARTMENT OF NATURAL RESOURCES | 111 |
| DEPARTMENT OF PERSONNEL | 30 |
| DEPARTMENT OF RETIREMENT SYSTEMS | |
| CONTRIBUTIONS TO RETIREMENT SYSTEMS | 200 |
| OPERATIONS | 33 |
| TRANSFERS | 207 |
| DEPARTMENT OF REVENUE | 31 |
| DEPARTMENT OF SOCIAL AND HEALTH SERVICES | 43 |
| ADMINISTRATION AND SUPPORTING SERVICES PROGRAM | 76 |
| AGING AND ADULT SERVICES PROGRAM | 62 |
| ALCOHOL AND SUBSTANCE ABUSE PROGRAM | 69 |
| CHILDREN AND FAMILY SERVICES PROGRAM | 45 |
| DEVELOPMENTAL DISABILITIES PROGRAM | 56 |
| ECONOMIC SERVICES PROGRAM | 66 |

| | |
|---|-----|
| JUVENILE REHABILITATION PROGRAM | 47 |
| MEDICAL ASSISTANCE PROGRAM | 70 |
| MENTAL HEALTH PROGRAM | 51 |
| PAYMENTS TO OTHER AGENCIES PROGRAM | 78 |
| VOCATIONAL REHABILITATION PROGRAM | 75 |
| DEPARTMENT OF VETERANS AFFAIRS | 82 |
| EASTERN WASHINGTON UNIVERSITY | 177 |
| EMPLOYMENT SECURITY DEPARTMENT | 92 |
| ENVIRONMENTAL HEARINGS OFFICE | 105 |
| FUND BALANCE TRANSFER | 208 |
| GOVERNOR | |
| COMPENSATION--INSURANCE BENEFITS | 192 |
| HIGHER EDUCATION COORDINATING BOARD | |
| FINANCIAL AID AND GRANT PROGRAMS | 186 |
| POLICY COORDINATION AND ADMINISTRATION | 182 |
| HOME CARE QUALITY AUTHORITY | 83 |
| HOMELESS FAMILIES SERVICES FUND | 201 |
| HORSE RACING COMMISSION | 36 |
| HOUSE OF REPRESENTATIVES | 2 |
| INCREASED FEDERAL ASSISTANCE. | 194 |
| INSURANCE COMMISSIONER | 36 |
| INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION | 104 |
| JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE | 2 |
| K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS | 164 |
| LAW LIBRARY | 7 |
| LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE | 6 |
| LIQUOR CONTROL BOARD | 36 |
| MILITARY DEPARTMENT | 38 |
| OFFICE OF ADMINISTRATIVE HEARINGS | 29 |
| OFFICE OF FINANCIAL MANAGEMENT | 26 |
| CONTRIBUTIONS TO RETIREMENT SYSTEMS | 197 |
| EDUCATION TECHNOLOGY REVOLVING ACCOUNT | 194 |
| EXTRAORDINARY CRIMINAL JUSTICE COSTS | 198 |
| HELP AMERICA VOTE ACT | 196 |
| MADER LAWSUIT SETTLEMENT | 197 |
| OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES | 32 |
| OFFICE OF PUBLIC DEFENSE | 10 |
| OFFICE OF THE GOVERNOR | 11 |
| JOINT TASK FORCE ON MENTAL HEALTH | 198 |
| PUBLIC EMPLOYMENT RELATIONS COMMISSION | 41 |

| | |
|---|----------|
| SECRETARY OF STATE | 11 |
| SENATE | 2 |
| SENTENCING GUIDELINES COMMISSION | 95 |
| STATE AUDITOR | 14 |
| STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES | 167 |
| STATE HEALTH CARE AUTHORITY | 78 |
| STATE PARKS AND RECREATION COMMISSION | 103 |
| STATE PATROL | 119 |
| STATE TREASURER | 14 |
| BOND RETIREMENT AND INTEREST | 190, 191 |
| STATE REVENUES FOR DISTRIBUTION | 203 |
| TRANSFERS | 204 |
| SUNDRY CLAIMS | 196 |
| SUPERINTENDENT OF PUBLIC INSTRUCTION | 122 |
| BASIC EDUCATION EMPLOYEE COMPENSATION | 136 |
| EDUCATION REFORM PROGRAMS | 151 |
| EDUCATIONAL SERVICE DISTRICTS | 148 |
| ELEMENTARY AND SECONDARY SCHOOL-- IMPROVEMENT--NO CHILD LEFT BEHIND | 151 |
| GENERAL APPORTIONMENT | 128 |
| INSTITUTIONAL EDUCATION PROGRAMS | 149 |
| LEARNING ASSISTANCE PROGRAM | 161 |
| LOCAL EFFORT ASSISTANCE | 149 |
| PROGRAMS FOR HIGHLY CAPABLE STUDENTS | 150 |
| PUPIL TRANSPORTATION | 142 |
| SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS | 139 |
| SCHOOL FOOD SERVICE PROGRAMS | 144 |
| SPECIAL EDUCATION PROGRAMS | 144 |
| STUDENT ACHIEVEMENT PROGRAM | 163 |
| TRANSITIONAL BILINGUAL PROGRAMS | 160 |
| SUPREME COURT | 7 |
| THE EVERGREEN STATE COLLEGE | 179 |
| UNIVERSITY OF WASHINGTON | 172 |
| UTILITIES AND TRANSPORTATION COMMISSION | 38 |
| WASHINGTON STATE UNIVERSITY | 175 |
| WESTERN WASHINGTON UNIVERSITY | 182 |

--- END ---