
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-5140.2/04 2nd draft

ATTY/TYPIST: LL:mos

BRIEF DESCRIPTION: Making supplemental operating appropriations.

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100,
2 28A.160.195, 28A.650.035, 28B.102.040, 28B.119.010, 43.83.020,
3 43.88.030, 43.105.830, 69.50.520, and 74.46.431; amending 2003 1st
4 sp.s. c 25 ss 101, 102, 103, 104, 106, 109, 110, 111, 113, 114, 115,
5 118, 121, 123, 124, 125, 126, 128, 129, 130, 135, 137, 140, 141, 143,
6 146, 147, 148, 150, 151, 201, 202, 203, 204, 205, 206, 207, 208, 209,
7 210, 211, 212, 213, 216, 217, 219, 220, 221, 222, 226, 302, 303, 304,
8 305, 306, 307, 308, 309, 310, 401, 402, 501, 502, 504, 505, 506, 507,
9 509, 510, 511, 512, 513, 514, 515, 516, 517, 602, 603, 604, 605, 606,
10 607, 608, 609, 610, 611, 701, 703, 704, 709, 712, 715, 718, 723, 801,
11 805, and 806 (uncodified); adding new sections to 2003 1st sp.s. 25
12 (uncodified); and declaring an emergency.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

14 **PART I**
15 **GENERAL GOVERNMENT**

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

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

3 (1) \$250,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely to implement Engrossed Substitute House
5 Bill No. 1869 (tax preferences). If the bill is not enacted by June
6 30, 2004, the amount provided in this subsection shall lapse.

7 (2) \$21,000 of the general fund--state appropriation for fiscal
8 year 2005 is provided solely to implement Engrossed House Bill No. 3094
9 (high school skills center). If the bill is not enacted by June 30,
10 2004, the amount provided in this subsection shall lapse.

11 (3) \$152,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely to implement Third Engrossed Substitute
13 House Bill No. 1053 (government accountability). If the bill is not
14 enacted by June 30, 2004, the amount provided in this subsection shall
15 lapse.

16 (4) \$50,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely for a study of state and national trends
18 for prevalence of developmental disabilities including autism, mental
19 retardation, cerebral palsy, and other major developmental
20 disabilities. The study shall include but not be limited to a review
21 of:

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

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

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

28 (d) Data sources specific to Washington state.

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

31 (5) \$150,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for a performance review of the policies
33 and practices of the state wildfire suppression program. The
34 performance review shall include, but not be limited to:

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

37 (b) An examination of what factors are contributing to the recent
38 increase in the cost of fire suppression. This examination shall

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

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

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

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

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

19	General Fund--State Appropriation (FY 2004)	(((\$1,656,000))
20		<u>\$1,631,000</u>
21	General Fund--State Appropriation (FY 2005)	(((\$1,799,000))
22		<u>\$1,774,000</u>
23	TOTAL APPROPRIATION	(((\$3,455,000))
24		<u>\$3,405,000</u>

25 ~~((The appropriations in this section are subject to the following~~
26 ~~conditions and limitations: \$25,000 of the general fund state~~
27 ~~appropriation for fiscal year 2004 and \$25,000 of the general fund~~
28 ~~state appropriation for fiscal year 2005 are provided solely for the~~
29 ~~legislative evaluation and accountability program committee, in~~
30 ~~consultation with the economic and revenue forecast council, to~~
31 ~~establish and maintain a set of economic indicators that could be used~~
32 ~~for adjusting the statewide salary schedule by a regional cost of~~
33 ~~living index. The economic indicators to be included in this index~~
34 ~~include but are not limited to the median cost of housing.~~

35 ~~(1) In developing the regional cost of living index, the~~
36 ~~legislative evaluation and accountability program committee shall~~
37 ~~collect data on the economic activity comprising the cost of living~~

1 indexes for geographic areas of the state coterminous with the
2 boundaries of the nine educational service districts established under
3 RCW 28A.310.010.

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

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

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

23 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

24	General Fund--State Appropriation (FY 2004)	\$6,754,000
25	General Fund--State Appropriation (FY 2005)	((\$6,753,000))
26		<u>\$8,153,000</u>
27	TOTAL APPROPRIATION	((\$13,507,000))
28		<u>\$14,907,000</u>

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

31 **FOR THE SUPREME COURT**

32	General Fund--State Appropriation (FY 2004)	((\$5,462,000))
33		<u>\$5,481,000</u>
34	General Fund--State Appropriation (FY 2005)	((\$5,665,000))
35		<u>\$5,714,000</u>
36	TOTAL APPROPRIATION	((\$11,127,000))

1 \$11,195,000

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

4 **FOR THE LAW LIBRARY**

5 General Fund--State Appropriation (FY 2004)	((\$2,045,000))
	<u>\$2,049,000</u>
7 General Fund--State Appropriation (FY 2005)	\$2,050,000
8 TOTAL APPROPRIATION	((\$4,095,000))
	<u>\$4,099,000</u>

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

12 **FOR THE COURT OF APPEALS**

13 General Fund--State Appropriation (FY 2004)	((\$12,510,000))
	<u>\$12,520,000</u>
15 General Fund--State Appropriation (FY 2005)	((\$12,747,000))
	<u>\$12,886,000</u>
17 TOTAL APPROPRIATION	((\$25,257,000))
	<u>\$25,406,000</u>

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

21 **FOR THE ADMINISTRATOR FOR THE COURTS**

22 General Fund--State Appropriation (FY 2004)	((\$17,295,000))
	<u>\$17,374,000</u>
24 General Fund--State Appropriation (FY 2005)	((\$17,340,000))
	<u>\$18,036,000</u>
26 Public Safety and Education Account--State	
27 Appropriation	((\$43,389,000))
	<u>\$43,623,000</u>
29 Judicial Information Systems Account--State	
30 Appropriation	((\$27,903,000))
	<u>\$31,803,000</u>
32 TOTAL APPROPRIATION	((\$105,927,000))
	<u>\$110,836,000</u>

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

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

5 (2) \$750,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$750,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for court-appointed special
8 advocates in dependency matters. The administrator for the courts,
9 after consulting with the association of juvenile court administrators
10 and the association of court-appointed special advocate/guardian ad
11 litem programs, shall distribute the funds to volunteer court-appointed
12 special advocate/guardian ad litem programs. The distribution of
13 funding shall be based on the number of children who need volunteer
14 court-appointed special advocate representation and shall be equally
15 accessible to all volunteer court-appointed special advocate/guardian
16 ad litem programs. The administrator for the courts shall not retain
17 more than six percent of total funding to cover administrative or any
18 other agency costs.

19 (3) (~~(\$12,572,000)~~) \$16,472,000 of the judicial information systems
20 account--state appropriation is provided solely for improvements and
21 enhancements to the judicial information system. (~~(This funding shall
22 only be expended after the office of the administrator for the courts
23 certifies to the office of financial management that there will be at
24 least a \$1,000,000 ending fund balance in the judicial information
25 systems account at the end of the 2003-05 biennium.)~~)

26 (4) \$3,000,000 of the public safety and education account--state
27 appropriation is provided solely for school district petitions to
28 juvenile court for truant students as provided in RCW 28A.225.030 and
29 28A.225.035. The office of the administrator for the courts shall
30 develop an interagency agreement with the office of the superintendent
31 of public instruction to allocate the funding provided in this
32 subsection. Allocation of this money to school districts shall be
33 based on the number of petitions filed.

34 (5) \$13,224,000 of the public safety and education account--state
35 appropriation is provided solely for distribution to county juvenile
36 court administrators to fund the costs of processing truancy, children
37 in need of services, and at-risk youth petitions. The office of the
38 administrator for the courts shall not retain any portion of these

1 funds to cover administrative costs. The office of the administrator
2 for the courts, in conjunction with the juvenile court administrators,
3 shall develop an equitable funding distribution formula. The formula
4 shall neither reward counties with higher than average per-petition
5 processing costs nor shall it penalize counties with lower than average
6 per-petition processing costs.

7 (6) The distributions made under subsection (6) of this section and
8 distributions from the county criminal justice assistance account made
9 pursuant to section 801 of this act constitute appropriate
10 reimbursement for costs for any new programs or increased level of
11 service for purposes of RCW 43.135.060.

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

23 (8) \$813,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$762,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for billing and related costs for
26 the office of the administrator for the courts pursuant to Engrossed
27 Substitute Senate Bill No. 5990 (supervision of offenders).

28 (9) \$1,800,000 of the public safety and education account
29 appropriation is provided solely for distribution to the county clerks
30 for the collection of legal financial obligations pursuant to Engrossed
31 Substitute Senate Bill No. 5990 (supervision of offenders). The
32 funding shall be distributed by the office of the administrator for the
33 courts to the county clerks in accordance with the funding formula
34 determined by the Washington association of county officials pursuant
35 to Engrossed Substitute Senate Bill No. 5990 (supervision of
36 offenders).

1 year 2005 is provided solely for the development of kindergarten
2 readiness guidelines, in collaboration with the office of the
3 superintendent of public instruction.

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

6 **FOR THE SECRETARY OF STATE**

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

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

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

32 (2) \$1,826,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$2,686,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the verification of initiative
35 and referendum petitions, maintenance of related voter registration
36 records, and the publication and distribution of the voters and
37 candidates pamphlet.

1 (3) \$125,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$118,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for legal advertising of state
4 measures under RCW 29.27.072.

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

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

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

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

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

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

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

1 (5) (~~(\$6,038,000 of the general fund state appropriation for~~
2 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
3 ~~state's share of the cost of conducting the presidential primary.)~~)
4 \$252,000 of the archives and records management account--state
5 appropriation and \$1,504,000 of the local government archives account--
6 state appropriation are provided solely for additional facility capital
7 costs, digital archives technology architecture costs, and additional
8 digital archives staff and operational costs associated with the new
9 eastern regional archives and digital archives facility.

10 (6) The entire election account--state appropriation in this
11 section is provided solely as state match funding for federal moneys
12 provided under the Help America Vote act (P.L. 107-252). Of the state
13 match funding provided, the secretary of state may expend only the
14 amount required to match the federal funding received, and any amount
15 that is not necessary to match the federal funding shall lapse. After
16 receipt of the federal moneys, the office of the secretary of state
17 shall notify the appropriations committee of the house of
18 representatives and the ways and means committee of the senate of the
19 amount of federal funding received and the associated required state
20 match.

21 (7) \$580,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely to conduct voter outreach and education
23 and to train local elections officials pursuant to new state primary
24 election laws. If no new state primary election laws are enacted by
25 June 30, 2004, the amount provided in this subsection shall lapse.

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

28 **FOR THE STATE TREASURER**

29 State Treasurer's Service Account--State
30 Appropriation ((\$13,149,000))
31 \$13,463,000

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

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

35 General Fund--State Appropriation (FY 2004) ((\$83,000))
36 \$112,000

1 General Fund--State Appropriation (FY 2005) ((~~\$157,000~~))
2 \$192,000
3 TOTAL APPROPRIATION ((~~\$240,000~~))
4 \$304,000

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

7 **FOR THE ATTORNEY GENERAL**

8 General Fund--State Appropriation (FY 2004) ((~~\$4,057,000~~))
9 \$4,373,000
10 General Fund--State Appropriation (FY 2005) ((~~\$4,109,000~~))
11 \$4,221,000
12 General Fund--Federal Appropriation \$2,845,000
13 Public Safety and Education Account--State
14 Appropriation ((~~\$1,814,000~~))
15 \$2,001,000
16 Tobacco Prevention and Control Account--State
17 Appropriation \$270,000
18 New Motor Vehicle Arbitration Account--State
19 Appropriation \$1,180,000
20 Legal Services Revolving Account--State
21 Appropriation ((~~\$165,275,000~~))
22 \$166,761,000
23 TOTAL APPROPRIATION ((~~\$179,550,000~~))
24 \$181,651,000

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

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

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

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

4 (3) \$10,180,797 of the general fund--federal appropriation is
5 provided solely for the drug control and system improvement formula
6 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (4) \$125,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$125,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for implementing the industries of
16 the future strategy.

17 (5) \$200,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$200,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for a contract with the Washington
20 manufacturing services.

21 (6) \$205,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$205,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for grants to Washington Columbia
24 River Gorge counties to implement their responsibilities under the
25 national scenic area management plan. Of this amount, \$390,000 is
26 provided for Skamania county and \$20,000 is provided for Clark county.

27 (7) \$50,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$50,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for a contract with international
30 trade alliance of Spokane.

31 (8) \$5,085,000 of the general fund--state appropriation for fiscal
32 year 2004, \$5,085,000 of the general fund--state appropriation for
33 fiscal year 2005, \$4,250,000 of the general fund--federal
34 appropriation, and \$6,145,000 of the Washington housing trust account
35 are provided solely for providing housing and shelter for homeless
36 people, including but not limited to grants to operate, repair, and
37 staff shelters; grants to operate transitional housing; partial

1 payments for rental assistance; consolidated emergency assistance;
2 overnight youth shelters; and emergency shelter assistance.

3 (9) (~~(\$697,000)~~) \$369,000 of the community economic development
4 account appropriation (~~(is)~~) and \$120,000 of the developmental
5 disabilities endowment trust fund appropriation are provided solely for
6 support of the developmental disabilities endowment governing board and
7 costs of the endowment program. The governing board may use
8 appropriations to implement a sliding-scale fee waiver for families
9 earning below 150 percent of the state median family income.

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

15 (11) \$300,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$300,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the business retention and
18 expansion program to fund contracts with locally based development
19 organizations for local business and job retention activities.

20 (12) \$200,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$200,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the tourism office to market
23 Washington state as a travel destination to northwest states,
24 California, and British Columbia. By December 1, 2004, the department
25 shall report to the relevant legislative policy and fiscal committees
26 on the effectiveness of these expenditures.

27 (13) \$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 business development
30 activities to conduct statewide and/or regional business recruitment
31 and client lead generation services.

32 (14) \$60,000 of the general fund--state appropriation for fiscal
33 year 2004 and (~~(\$60,000)~~) \$180,000 of the general fund--state
34 appropriation for fiscal year 2005 are provided solely for the
35 community services block grant program for pass-through to community
36 action agencies.

37 (15) \$26,862,000 of the general fund--state appropriation for

1 fiscal year 2004 and \$26,862,000 of the general fund--state
2 appropriation for fiscal year 2005 are provided solely for providing
3 early childhood education assistance.

4 (16) Within the amounts appropriated in this section, funding is
5 provided for Washington state dues for the Pacific northwest economic
6 region.

7 (17) \$200,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$200,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for the foreign offices (overseas
10 representatives) to expand local capacity for China, expand operations
11 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
12 exporters in expanding their sales opportunities.

13 (18) \$600,000 of the public safety and education account
14 appropriation is provided solely for sexual assault prevention and
15 treatment programs.

16 (19) \$65,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$65,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for a contract with a food
19 distribution program for communities in the southwestern portion of the
20 state and for workers impacted by timber and salmon fishing closures
21 and reductions. The department may not charge administrative overhead
22 or expenses to the funds provided in this subsection.

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

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

1 (22) \$80,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely to develop a state plan to address how the
3 state can improve coordination between state and local partners to
4 substantially reduce the incidence of homelessness.

5 (23) \$75,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$425,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the purpose of supporting the
8 base realignment and closure process. The department shall develop and
9 implement criteria and procedures, including the types of activities
10 that may be funded by the grants and requirements for local matching
11 funds, for the issuance of grants to one organization within each of
12 the following counties: Island, Kitsap, Pierce, Snohomish, and Spokane.
13 The department shall use a portion of the funding provided to support
14 the related activities of state agencies as identified by the office of
15 the governor.

16 (24) \$421,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$193,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely to coordinate the state's efforts
19 in siting the 7E7 final assembly plant.

20 (25) \$10,208,818 of the general fund--federal appropriation is
21 provided solely for the drug control and system improvement formula
22 grant program, to be distributed in state fiscal year 2005 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (26) \$2,000,000 of the general fund--state appropriation for fiscal
30 year 2005 is provided solely for increased civil legal services for the
31 indigent.

32 (27) \$300,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely to implement Substitute House Bill No.
34 3084 (national guard). If this bill is not enacted by June 30, 2004,
35 the amount provided in this subsection shall lapse.

36 (28) \$125,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely for the center for advanced manufacturing
38 provisions of Engrossed Substitute House Bill No. 2784 (small business

1 incubator program) or to implement Engrossed Substitute House Bill No.
2 2892 (manufacturing center). If neither bill is enacted by June 30,
3 2004, the amount provided in this subsection shall lapse.

4 (29) \$150,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely for deposit in the small business
6 incubator account to implement the small business incubator provisions
7 of Engrossed Substitute House Bill No. 2784 (small business incubator
8 program). If this bill is not enacted by June 30, 2004, the amount
9 provided in this subsection shall lapse.

10 (30) \$60,000 of the general fund--state appropriation for fiscal
11 year 2005 is provided solely for a study under (a) through (i) of this
12 subsection. Expenditure of this amount is contingent upon a \$60,000
13 match from a county with a population exceeding one million. The
14 department shall conduct a study to:

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

19 (i) The number of acres annexed;
20 (ii) The number of acres incorporated;
21 (iii) The number of residents annexed, incorporated, and remaining
22 in urban unincorporated areas; and

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

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

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

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

34 (e) Survey residents of urban unincorporated areas in each of the
35 subject counties to identify their attitudes towards annexation or
36 incorporation;

37 (f) Propose possible changes to city and county taxing authority

1 which will serve to aid the transfer of annexation of remaining urban
2 growth areas in a timely manner;

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

5 (h) Assess the role and statutory authority of the boundary review
6 board and how altering their role and authority might facilitate
7 annexation; and

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

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

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

15 (31) \$25,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$25,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the department to conduct a
18 study, with input from an advisory committee, on the feasibility and
19 benefits of establishing a one-stop satellite office colocating the
20 employment security department and the department of social and health
21 services on community college campuses. Essential elements of the
22 study include a strategic evaluation of services to be colocated, the
23 appropriate location on campuses, and how to better integrate
24 employment security department and department of social and health
25 services programs with basic skills, workforce, and academic programs
26 of community and technical colleges to provide more opportunities for
27 skill improvements and employability. The advisory committee shall
28 include representation of the state board for community and technical
29 colleges, the employment security department, and the department of
30 social and health services. The department shall provide its findings
31 and recommendations to the governor and appropriate committees of the
32 legislature by December 20, 2004.

33 (32) \$3,000,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely for deposit in the homeless families
35 services fund to implement Second Substitute House Bill No. 2818
36 (homeless families services). If the bill is not enacted by June 30,
37 2004, the amount provided in this subsection shall lapse.

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

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

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

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

(4) \$150,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Engrossed Substitute House Bill No. 3080 (state budgeting). If this bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

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

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

1 (7)(a) \$25,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for a task force on noneconomic damages.
3 On or before October 31, 2005, the task force shall prepare a study and
4 develop, for consideration by the legislature, a proposed plan for
5 implementation of an advisory schedule of noneconomic damages in
6 actions for injuries resulting from health care under chapter 7.70 RCW.
7 Implementation of any proposed plan is contingent upon statutory
8 authorization by the legislature.

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

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

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

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

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

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

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

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

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

34 (i) One member from each of the two largest caucuses in the senate, to
35 be appointed by the president of the senate, and one member from each
36 of the two largest caucuses in the house of representatives, to be
37 appointed by the speaker of the house of representatives; (ii) one
38 health care ethicist; (iii) one economist; (iv) one actuary; (v) two

1 attorneys with expertise or significant experience in medical
2 malpractice actions, one representing the plaintiff's bar and one
3 representing the insurance defense bar; (vi) two superior court judges;
4 (vii) one representative of a hospital; (viii) one physician; (ix) one
5 representative of a medical malpractice insurer; and (x) two consumers.
6 The governor shall appoint the nonlegislative members of the task force
7 and select a chair.

8 (e) Legislative members of the task force shall be reimbursed for
9 travel expenses under RCW 44.04.120. Nonlegislative members of the
10 task force shall be reimbursed for travel expenses as provided in RCW
11 43.03.050 and 43.03.060.

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

16 (8) \$250,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely for the office to study land use and local
18 government finance and make recommendations on the impact that current
19 trends in city and county revenue sources and expenditures may have on
20 land use decisions made by counties and cities and meeting goals of the
21 growth management act. Among the areas to be studied: Local
22 government revenue sources and expenditures over the past decade; the
23 relationship between local government finances and land use decisions
24 including commercial, residential, and industrial development;
25 cooperation or competition of adjoining jurisdictions over land use and
26 annexation; the relationship new development has to existing commercial
27 and residential areas and its affect on a community's infrastructure
28 and quality of life. The study shall include recommendations for state
29 and local government fiscal partnerships that encourage cooperation
30 among jurisdictions to meet the goals of the growth management act, and
31 how the state and local government fiscal structure can better meet the
32 responsibilities of providing services to citizens and meeting the
33 goals of the growth management act.

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

36 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

37 Administrative Hearings Revolving Account--State

1 Appropriation ((~~\$24,619,000~~))
2 \$26,983,000

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

5 **FOR THE DEPARTMENT OF PERSONNEL**

6 Department of Personnel Service Account--State
7 Appropriation \$16,247,000
8 Higher Education Personnel Services Account--State
9 Appropriation \$1,612,000
10 TOTAL APPROPRIATION \$17,859,000

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

13 (1) The department is authorized to enter into a financing contract
14 for up to ((~~\$32,095,000~~)) \$38,911,000, plus necessary financing
15 expenses and required reserves, pursuant to chapter 39.94 RCW. The
16 contract shall be to purchase, develop, and implement a new statewide
17 payroll system and shall be for a term of not more than twelve years.
18 The legislature recognizes the critical nature of the human resource
19 management system and its relationship to successful implementation of
20 civil service reform, collective bargaining, and the ability to permit
21 contracting out of services to the private sector. Projects of this
22 size and complexity have many risks associated with their successful
23 and timely completion, therefore, to help ensure project success, the
24 department of personnel and the office of financial management shall
25 jointly report to the legislature by January 15, 2004, on progress
26 toward implementing the human resource management system. The report
27 shall include a description of mitigation strategies employed to
28 address the risks related to: Business requirements not fully defined
29 at the project outset; short time frame for system implementation; and
30 delays experienced by other states. The report shall assess the
31 probability of meeting the system implementation schedule and recommend
32 contingency strategies as needed. The report shall establish the
33 timelines, the critical path, and the dependencies for realizing each
34 of the benefits articulated in the system feasibility study.

35 (2) The department shall coordinate with the governor's office of
36 Indian affairs on providing one-day government to government training
37 sessions for federal, state, local, and tribal government employees.

1 The training sessions must cover tribal historical perspectives, legal
2 issues, tribal sovereignty, and tribal governments. Costs of the
3 training sessions shall be recouped through a fee charged to the
4 participants of each session.

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

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

8 Dependent Care Administrative Account--State

9	Appropriation	\$384,000
10	Department of Retirement Systems Expense Account--	
11	State Appropriation	((\$44,485,000))
12		<u>\$45,216,000</u>
13	TOTAL APPROPRIATION	((\$44,869,000))
14		<u>\$45,600,000</u>

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

17 (1) \$31,000 of the retirement systems expense account appropriation
18 is provided solely to implement House Bill No. 1519, chapter 155, Laws
19 of 2003 (unreduced duty death survivor benefits).

20 (2) \$1,678,000 of the retirement systems expense account
21 appropriation is provided solely to implement House Bill No. 2197,
22 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'
23 plan 2 board implementation).

24 (3) \$2,083,000 of the retirement systems expense account
25 appropriation is provided solely for the support of the information
26 systems project known as the electronic document image management
27 system.

28 (4) \$124,000 of the department of retirement systems expense
29 account--state appropriation is provided solely to implement Senate
30 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'
31 retirement credit).

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

36 (6) \$21,000 of the department of retirement systems expense

1 account--state appropriation is provided solely to implement House Bill
2 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

3 (7) \$30,000 of the department of retirement systems expense
4 account--state appropriation is provided solely to implement House Bill
5 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

6 (8) \$324,000 of the department of retirement systems expense
7 account--state appropriation is provided solely to implement Substitute
8 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

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

13 (10) \$188,000 of the department of retirement systems expense
14 account--state appropriation is provided solely to implement House Bill
15 No. 2418 (minimum disability benefits).

16 (11) \$7,000 of the department of retirement systems expense
17 account--state appropriation is provided solely to implement House Bill
18 No. 2419 (unreduced line-duty death benefits).

19 (12) \$5,000 of the department of retirement systems expense
20 account--state appropriation is provided solely to implement House Bill
21 No. 2534 (state patrol line-duty death benefits).

22 (13) \$128,000 of the department of retirement systems expense
23 account--state appropriation is provided solely to implement House Bill
24 No. 2538 (\$1000 minimum benefit).

25 (14) \$403,000 of the department of retirement systems expense
26 account--state appropriation is provided solely to implement House Bill
27 No. 2537 (public safety employees' retirement system).

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

30 **FOR THE DEPARTMENT OF REVENUE**

31	General Fund--State Appropriation (FY 2004)	\$82,644,000
32	General Fund--State Appropriation (FY 2005)	((\$81,916,000))
33		<u>\$82,241,000</u>
34	Timber Tax Distribution Account--State	
35	Appropriation	((\$5,191,000))
36		<u>\$5,327,000</u>
37	Waste Education/Recycling/Litter Control--State	

1	Appropriation	\$101,000
2	State Toxics Control Account--State	
3	Appropriation	\$67,000
4	Oil Spill Administration Account--State	
5	Appropriation	\$14,000
6	TOTAL APPROPRIATION	((\$169,933,000))
7		<u>\$170,394,000</u>

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

10 (1) \$96,000 of the general fund--state appropriation for fiscal
11 year 2005 is provided solely to implement House Bill No. 2436 (retired
12 persons property tax). If the bill is not enacted by June 30, 2004,
13 the amount provided in this subsection shall lapse.

14 (2) \$80,000 of the general fund--state appropriation for fiscal
15 year 2005 is provided solely to implement Substitute House Bill No.
16 2500 (streamlined sales & use tax). If the bill is not enacted by June
17 30, 2004, the amount provided in this subsection shall lapse.

18 (3) \$149,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely to implement Substitute House Bill No.
20 2531 (regional transportation investment districts). If the bill is
21 not enacted by June 30, 2004, the amount provided in this subsection
22 shall lapse.

23 (4) \$136,000 of the timber tax distribution account appropriation
24 is provided solely to implement Engrossed Substitute House Bill No.
25 2693 (taxation of timber). If the bill is not enacted by June 30,
26 2004, the amount provided in this subsection shall lapse.

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

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

31 OMWBE Enterprises Account--State

32	Appropriation	\$1,990,000
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33 The appropriation in this section is subject to the following
34 conditions and limitations:

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

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

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

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

11 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

12	General Fund--State Appropriation (FY 2004)	(((\$193,000))
13		<u>\$235,000</u>
14	General Fund--State Appropriation (FY 2005)	(((\$275,000))
15		<u>\$233,000</u>
16	General Fund--Federal Appropriation	(((\$3,215,000))
17		<u>\$3,865,000</u>
18	General Administration Services Account--State	
19	Appropriation	(((\$38,086,000))
20		<u>\$38,419,000</u>
21	TOTAL APPROPRIATION	(((\$41,769,000))
22		<u>\$42,752,000</u>

23 **Sec. 125.** 2003 1st sp.s. c 25 s 143 (uncodified) is amended to
24 read as follows:

25 **FOR THE INSURANCE COMMISSIONER**

26	General Fund--Federal Appropriation	\$631,000
27	Insurance Commissioners Regulatory Account--State	
28	Appropriation	(((\$32,307,000))
29		<u>\$33,209,000</u>
30	TOTAL APPROPRIATION	(((\$32,938,000))
31		<u>\$33,840,000</u>

32 The appropriations in this section are subject to the following
33 conditions and limitations: \$200,000 of the insurance commissioner's
34 regulatory account--state appropriation is provided solely to assess
35 conditions in liability insurance markets in Washington. The
36 commissioner will develop and provide information to Washington

1 businesses, insurance agents, and brokers to assist such businesses in
2 obtaining liability insurance coverage. The commissioner will also
3 assist such businesses in determining which Washington agents and
4 brokers have access to authorized and surplus lines insurers writing
5 such liability coverages. The commissioner shall provide this
6 information in a manner that does not discriminate or favor any agent,
7 broker, or insurer writing business directly. Nothing in this section
8 shall impair the authority of the commissioner to activate a market
9 assistance plan under RCW 48.22.050.

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

12 **FOR THE HORSE RACING COMMISSION**

13 Horse Racing Commission Account--State
14 Appropriation \$4,609,000

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

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

21 **FOR THE LIQUOR CONTROL BOARD**

22 General Fund--State Appropriation (FY 2004) \$1,454,000
23 General Fund--State Appropriation (FY 2005) \$1,455,000
24 Liquor Control Board Construction and Maintenance
25 Account--State Appropriation \$5,717,000
26 Liquor Revolving Account--State
27 Appropriation ((~~\$133,842,000~~))
28 \$135,793,000
29 TOTAL APPROPRIATION ((~~\$142,468,000~~))
30 \$144,419,000

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

33 (1) \$2,000,000 of the liquor revolving account appropriation is
34 provided solely for the costs associated with ((~~the completion of~~)) the
35 merchandising business system, with priority placed on the point of

1 sale component of the system. Actual expenditures are limited to the
2 balance of funds remaining from the \$4,803,000 appropriation provided
3 for the merchandise business system in the 2001-03 budget.

4 (2) \$1,309,000 of the liquor revolving account appropriation is
5 provided solely for the costs associated with (~~pur~~chasing merchandise
6 ~~business system software and hardware related items, and hiring system-~~
7 ~~related staff~~) the merchandising business system solution, with
8 priority placed on the point of sale component of the system. These
9 costs include hiring system-related staff and procuring system-related
10 hardware and software.

11 (3) As required under RCW 66.16.010, the liquor control board shall
12 add an equivalent surcharge of \$0.42 per liter on all retail sales of
13 spirits, excluding licensee, military and tribal sales, effective no
14 later than September 1, 2003. The intent of this surcharge is to raise
15 \$14,000,000 in additional revenue for the 2003-05 biennium. To the
16 extent that a lesser surcharge is sufficient to raise \$14,000,000, the
17 board may reduce the amount of the surcharge. The board shall remove
18 the surcharge once it generates \$14,000,000, but no later than June 30,
19 2005.

20 (4) \$875,000 of the liquor revolving account appropriation is
21 provided solely to implement Engrossed Second Substitute House Bill No.
22 2131 (Sunday sales). If the bill is not enacted by June 30, 2004, the
23 amount provided in this subsection shall lapse.

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

26 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

27	Public Service Revolving Account--State	
28	Appropriation	((\$25,872,000))
29		<u>\$26,654,000</u>
30	Pipeline Safety Account--State	
31	Appropriation	\$2,768,000
32	Pipeline Safety Account--Federal	
33	Appropriation	\$1,041,000
34	TOTAL APPROPRIATION	((\$29,681,000))
35		<u>\$30,463,000</u>

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

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

4 ~~((3))~~ (2) \$135,000 of the public services revolving account
5 appropriation and \$15,000 of the pipeline safety account--state
6 appropriation are provided solely for the implementation of the
7 commission's financial systems project. If final approval for the
8 project is not granted by the office of financial management, the
9 amounts provided in this subsection shall lapse.

10 ~~((4))~~ (3) \$200,000 of the public services revolving account
11 appropriation is provided solely for an interagency transfer to the
12 joint legislative audit and review committee for the implementation of
13 Engrossed Substitute House Bill No. 1013 (UTC performance audit). If
14 the bill is not enacted by June 30, ~~((2003))~~ 2004, the amount provided
15 in this subsection shall lapse.

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

18 **FOR THE MILITARY DEPARTMENT**

19	General Fund--State Appropriation (FY 2004)	((\$8,486,000))
20		<u>\$8,578,000</u>
21	General Fund--State Appropriation (FY 2005)	((\$8,223,000))
22		<u>\$8,466,000</u>
23	General Fund--Federal Appropriation	((\$72,094,000))
24		<u>\$143,243,000</u>
25	General Fund--Private/Local Appropriation	\$371,000
26	Enhanced 911 Account--State Appropriation	\$33,955,000
27	Disaster Response Account--State Appropriation	((\$190,000))
28		<u>\$3,472,000</u>
29	<u>Disaster Response Account--Federal Appropriation</u>	<u>\$8,915,000</u>
30	Worker and Community Right to Know Fund--State	
31	Appropriation	\$290,000
32	Nisqually Earthquake Account--State	
33	Appropriation	((\$13,128,000))
34		<u>\$17,869,000</u>
35	Nisqually Earthquake Account--Federal	
36	Appropriation	((\$48,725,000))
37		<u>\$62,103,000</u>

1 TOTAL APPROPRIATION ((~~\$185,462,000~~))
2 \$287,262,000

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

5 (1) \$190,000 of the disaster response account--state appropriation
6 is provided solely to develop and implement a disaster grant management
7 system. The military department shall also submit a report quarterly
8 to the office of financial management and the legislative fiscal
9 committees detailing information on the disaster response account,
10 including: (a) The amount and type of deposits into the account; (b)
11 the current available fund balance as of the reporting date; and (c)
12 the projected fund balance at the end of the 2003-05 biennium based on
13 current revenue and expenditure patterns.

14 (2) (~~(\$10,128,000)~~) \$14,869,000 of the Nisqually earthquake
15 account--state appropriation and (~~(\$48,725,000)~~) \$62,103,000 of the
16 Nisqually earthquake account--federal appropriation are provided solely
17 for response and recovery costs associated with the February 28, 2001,
18 earthquake. The military department shall submit a report quarterly to
19 the office of financial management and the legislative fiscal
20 committees detailing earthquake recovery costs, including: (a)
21 Estimates of total costs; (b) incremental changes from the previous
22 estimate; (c) actual expenditures; (d) estimates of total remaining
23 costs to be paid; and (e) estimates of future payments by biennium.
24 This information shall be displayed by fund, by type of assistance, and
25 by amount paid on behalf of state agencies or local organizations. The
26 military department shall also submit a report quarterly to the office
27 of financial management and the legislative fiscal committees detailing
28 information on the Nisqually earthquake account, including: (a) The
29 amount and type of deposits into the account; (b) the current available
30 fund balance as of the reporting date; and (c) the projected fund
31 balance at the end of the 2003-05 biennium based on current revenue and
32 expenditure patterns.

33 (3) \$3,000,000 of the Nisqually earthquake account--state
34 appropriation is provided solely to cover other response and recovery
35 costs associated with the Nisqually earthquake that are not eligible
36 for federal emergency management agency reimbursement. Prior to
37 expending funds provided in this subsection, the military department
38 shall obtain prior approval of the director of financial management.

1 Prior to approving any single project of over \$1,000,000, the office of
2 financial management shall notify the fiscal committees of the
3 legislature. The military department is to submit a quarterly report
4 detailing the costs authorized under this subsection to the office of
5 financial management and the legislative fiscal committees.

6 (4) \$200,000 of the general fund--state appropriation for fiscal
7 year 2004, \$200,000 of the general fund--state appropriation for fiscal
8 year 2005, and (~~(\$43,555,000)~~) \$105,952,000 of the general fund--
9 federal appropriation are provided solely for homeland security, to be
10 distributed as follows:

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

15 (b) \$200,000 of the general fund--state appropriation for fiscal
16 year 2004, \$200,000 of the general fund--state appropriation for fiscal
17 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal
18 appropriation to the department to conduct the terrorism consequence
19 management program;

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

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

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

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

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

37 (h) Federal moneys shall be carried forward and applied to the pool
38 of moneys available for appropriation for programs and projects in the

1 succeeding fiscal year. Funding is contingent upon receipt of federal
2 awards. As part of its budget request in each year, the department
3 shall estimate and request authority to spend any federal funds
4 remaining available as a result of this subsection;

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

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

15 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

16	General Fund--State Appropriation (FY 2004)	\$2,362,000
17	General Fund--State Appropriation (FY 2005)	(\$2,436,000)
18		<u>\$2,396,000</u>
19	Department of Personnel Service Account--State	
20	Appropriation	\$2,542,000
21	TOTAL APPROPRIATION	(\$7,340,000)
22		<u>\$7,300,000</u>

23 ~~((The appropriations in this section are subject to the following
24 conditions and limitations: \$40,000 of the general fund state
25 appropriation for fiscal year 2005 is provided solely for the
26 implementation of Second Substitute Senate Bill No. 5012 (charter
27 schools). If the bill is not enacted by June 30, 2003, the amount
28 provided in this subsection shall lapse.))~~

(End of part)

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

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

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

14 (4) The department is authorized to develop an integrated health
15 care program designed to slow the progression of illness and disability
16 and better manage Medicaid expenditures for the aged and disabled
17 population. Under this Washington medicaid integration partnership
18 (WMIP) the department may combine and transfer such Medicaid funds
19 appropriated under sections 204, 206, 208, and 209 of this act as may
20 be necessary to finance a unified health care plan for the WMIP program
21 enrollment. The WMIP pilot projects shall not exceed a daily
22 enrollment of 6,000 persons during the 2003-05 biennium. The amount of
23 funding assigned to the pilot projects from each program may not exceed
24 the average per capita cost assumed in this act for individuals covered
25 by that program, actuarially adjusted for the health condition of
26 persons enrolled in the pilot, times the number of clients enrolled in
27 the pilot. In implementing the WMIP pilot projects, the department
28 may: (a) Withhold from calculations of "available resources" as set
29 forth in RCW 71.24.025 a sum equal to the capitated rate for
30 individuals enrolled in the pilots; and (b) employ capitation financing
31 and risk-sharing arrangements in collaboration with health care service
32 contractors licensed by the office of the insurance commissioner and
33 qualified to participate in both the medicaid and medicare programs.
34 The department shall conduct an evaluation of the WMIP, measuring
35 changes in participant health outcomes, changes in patterns of service
36 utilization, participant satisfaction, participant access to services,
37 and the state fiscal impact.

1 foster and adoptive parents for infants served by the facility. The
2 department shall not require case management as a condition of the
3 contract.

4 (3) \$375,000 of the general fund--state fiscal year 2004
5 appropriation, \$375,000 of the general fund--state fiscal year 2005
6 appropriation, and \$322,000 of the general fund--federal appropriation
7 are provided for up to three nonfacility-based programs for the
8 training, consultation, support, and recruitment of biological, foster,
9 and adoptive parents of children through age three in need of special
10 care as a result of substance abuse by their mothers, except that each
11 program may serve up to three medically fragile nonsubstance-abuse-
12 affected children. In selecting nonfacility-based programs, preference
13 shall be given to programs whose federal or private funding sources
14 have expired or that have successfully performed under the existing
15 pediatric interim care program.

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

19 (5) \$125,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$125,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for a foster parent retention
22 program. This program is directed at foster parents caring for
23 children who act out sexually.

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

32 (7) \$50,000 of the fiscal year 2004 general fund--state
33 appropriation and \$50,000 of the fiscal year 2005 general fund--state
34 appropriation are provided solely for a street youth program in
35 Spokane.

36 (8) \$1,500,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely to increase shelter and other services for

1 victims of domestic violence provided as a part of the department's
2 victim assistance program.

3 (9) \$100,000 of the general fund--state appropriation for fiscal
4 year 2004, \$2,921,000 of the general fund--state appropriation for
5 fiscal year 2005, and \$1,763,000 of the general fund--federal
6 appropriation are provided solely to implement CAMIS user interface
7 improvements and family team decision meetings, as a part of the
8 department's program improvement plan implementation.

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

11 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
12 **REHABILITATION PROGRAM**

13	General Fund--State Appropriation (FY 2004)	((\$74,095,000))
14		<u>\$72,435,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$72,697,000))
16		<u>\$70,712,000</u>
17	General Fund--Federal Appropriation	((\$12,062,000))
18		<u>\$6,260,000</u>
19	General Fund--Private/Local Appropriation	\$1,098,000
20	Juvenile Accountability Incentive	
21	Account--Federal Appropriation	((\$9,139,000))
22		<u>\$7,300,000</u>
23	Violence Reduction and Drug Enforcement Account--	
24	State Appropriation	((\$37,338,000))
25		<u>\$37,699,000</u>
26	TOTAL APPROPRIATION	((\$206,429,000))
27		<u>\$195,504,000</u>

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

30 (1) \$695,000 of the violence reduction and drug enforcement account
31 appropriation is provided solely for deposit in the county criminal
32 justice assistance account for costs to the criminal justice system
33 associated with the implementation of chapter 338, Laws of 1997
34 (juvenile code revisions). The amounts provided in this subsection are
35 intended to provide funding for county adult court costs associated
36 with the implementation of chapter 338, Laws of 1997 and shall be
37 distributed in accordance with RCW 82.14.310.

1 (2) \$6,065,000 of the violence reduction and drug enforcement
2 account appropriation is provided solely for the implementation of
3 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
4 provided in this subsection are intended to provide funding for county
5 impacts associated with the implementation of chapter 338, Laws of 1997
6 and shall be distributed to counties as prescribed in the current
7 consolidated juvenile services (CJS) formula.

8 (3) \$1,204,000 of the general fund--state appropriation for fiscal
9 year 2004, \$1,204,000 of the general fund--state appropriation for
10 fiscal year 2005, and \$5,262,000 of the violence reduction and drug
11 enforcement account appropriation are provided solely to implement
12 community juvenile accountability grants pursuant to chapter 338, Laws
13 of 1997 (juvenile code revisions). Funds provided in this subsection
14 may be used solely for community juvenile accountability grants,
15 administration of the grants, and evaluations of programs funded by the
16 grants.

17 (4) \$2,544,000 of the violence reduction and drug enforcement
18 account appropriation is provided solely to implement alcohol and
19 substance abuse treatment programs for locally committed offenders.
20 The juvenile rehabilitation administration shall award these moneys on
21 a competitive basis to counties that submitted a plan for the provision
22 of services approved by the division of alcohol and substance abuse.
23 The juvenile rehabilitation administration shall develop criteria for
24 evaluation of plans submitted and a timeline for awarding funding and
25 shall assist counties in creating and submitting plans for evaluation.

26 ~~(5) ((\$100,000 of the general fund--state appropriation for fiscal~~
27 ~~year 2004 and \$100,000 of the general fund--state appropriation for~~
28 ~~fiscal year 2005 are provided solely for a contract for expanded~~
29 ~~services of the teamchild project.~~

30 ~~(6))~~ \$16,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$16,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for the implementation of chapter
33 167, Laws of 1999 (firearms on school property). The amounts provided
34 in this subsection are intended to provide funding for county impacts
35 associated with the implementation of chapter 167, Laws of 1999, and
36 shall be distributed to counties as prescribed in the current
37 consolidated juvenile services (CJS) formula.

1 ~~((8))~~ (6) \$16,000 of the violence reduction and drug enforcement
2 account appropriation is provided solely for the evaluation of the
3 juvenile offender co-occurring disorder pilot program (~~implemented~~
4 ~~pursuant to subsection (7) of this section~~)).

5 ~~((9) \$900,000 of the general fund state appropriation for fiscal~~
6 ~~year 2004 and \$900,000 of the general fund state appropriation for~~
7 ~~fiscal year 2005 are provided solely for the continued implementation~~
8 ~~of the juvenile violence prevention grant program established in~~
9 ~~section 204, chapter 309, Laws of 1999.~~

10 ~~(11))~~ (7) For the purposes of a pilot project recommended by the
11 family policy council, the juvenile rehabilitation administration shall
12 provide a block grant, rather than categorical funding, for
13 consolidated juvenile services, community juvenile accountability act
14 grants, the chemically dependent disposition alternative, and the
15 special sex offender disposition alternative to the Pierce county
16 juvenile court. To evaluate the effect of decategorizing funding for
17 youth services, the juvenile court shall do the following:

18 (a) Develop intermediate client outcomes according to the risk
19 assessment tool (RAT) currently used by juvenile courts and in
20 coordination with the juvenile rehabilitation administration and the
21 family policy council;

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

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

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

31 (e) Provide an initial process evaluation to the juvenile
32 rehabilitation administration and the family policy council by January
33 30, 2004, and an intermediate evaluation by December 31, 2004. The
34 court shall develop this evaluation in consultation with the juvenile
35 rehabilitation administration, the family policy council, and the
36 Washington state institute for public policy.

37 ~~((13) \$308,000))~~ (8) \$158,000 of the general fund--state
38 appropriation for fiscal year 2004 and ~~((875,000))~~ \$580,000 of the

1 general fund--state appropriation for fiscal year 2005 are provided
 2 solely to reimburse counties for local juvenile disposition
 3 alternatives implemented pursuant to Senate Bill No. 5903 (juvenile
 4 offender sentencing). The juvenile rehabilitation administration, in
 5 consultation with the juvenile court administrators, shall develop an
 6 equitable distribution formula for the funding provided in this
 7 subsection. The juvenile rehabilitation administration may adjust this
 8 funding level in the event that utilization rates of the disposition
 9 alternatives are lower than the level anticipated by the total
 10 appropriations to the juvenile rehabilitation administration in this
 11 section. If the bill is not enacted by June 30, 2003, the amounts
 12 provided in this subsection shall lapse.

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

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

26 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
 27 **PROGRAM**

28 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

29 General Fund--State Appropriation (FY 2004)	((\$209,818,000))
	<u>\$200,251,000</u>
31 General Fund--State Appropriation (FY 2005)	((\$211,317,000))
	<u>\$213,519,000</u>
33 General Fund--Federal Appropriation	((\$384,801,000))
	<u>\$404,043,000</u>
35 General Fund--Local Appropriation	\$1,970,000
36 TOTAL APPROPRIATION	((\$807,906,000))
37	<u>\$819,783,000</u>

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

3 (a) Regional support networks shall use portions of the general
4 fund--state appropriation for implementation of working agreements with
5 the vocational rehabilitation program that will maximize the use of
6 federal funding for vocational programs.

7 (b) From the general fund--state appropriations in this subsection,
8 the secretary of social and health services shall assure that regional
9 support networks reimburse the aging and disability services
10 administration for the general fund--state cost of medicaid personal
11 care services that enrolled regional support network consumers use
12 because of their psychiatric disability.

13 (c) \$4,222,000 of the general fund--state appropriation for fiscal
14 year 2004, \$4,222,000 of the general fund--state appropriation for
15 fiscal year 2005, and \$8,444,000 of the general fund--federal
16 appropriation are provided solely for the continued operation of
17 community residential and support services for persons whose treatment
18 needs constitute substantial barriers to community placement and who no
19 longer require active psychiatric treatment at an inpatient hospital
20 level of care, no longer meet the criteria for inpatient involuntary
21 commitment, and have been discharged from a state psychiatric hospital.
22 Primary responsibility and accountability for provision of appropriate
23 community support for persons placed with these funds shall reside with
24 the mental health program and the regional support networks, with
25 partnership and active support from the alcohol and substance abuse
26 division and from the aging and disability services administration.
27 The department shall continue performance-based incentive contracts to
28 provide appropriate community support services for individuals leaving
29 the state hospitals under this subsection. The department shall first
30 seek to contract with regional support networks before offering a
31 contract to any other party. The funds appropriated in this subsection
32 shall not be considered "available resources" as defined in RCW
33 71.24.025 and are not subject to the standard allocation formula
34 applied in accordance with RCW 71.24.035(13)(a).

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

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

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

7 (c) During the 2003-05 biennium, the department may not reduce the
8 number of inpatient psychiatric hospital beds in the state hospitals
9 below existing levels of 547 at Western State Hospital and 191 at
10 Eastern State Hospital, until such time as there are available
11 community resources, especially inpatient facilities, at an average
12 cost equal to or less than the respective hospital's daily rate and the
13 reduction receives legislative approval.

14 (3) CIVIL COMMITMENT

15	General Fund--State Appropriation (FY 2004)	((\$28,695,000))
16		<u>\$29,194,000</u>
17	General Fund--State Appropriation (FY 2005)	((\$32,081,000))
18		<u>\$34,551,000</u>
19	TOTAL APPROPRIATION	((\$60,776,000))
20		<u>\$63,745,000</u>

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

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

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

1 and September 1, 2004, for training police personnel under chapter 12,
2 Laws of 2001, 2nd sp. sess. (3ESSB 6151); up to \$125,000 per year shall
3 be provided to Pierce county on September 1, 2003, and September 1,
4 2004, for reimbursement of additional costs; and the remaining amounts
5 are for other documented costs by jurisdictions directly impacted by
6 the placement of the secure community transition facility on McNeil
7 Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB
8 6151), the department shall continue to work with local jurisdictions
9 towards reaching agreement for mitigation costs.

10 (c) ~~\$924,000 of the general fund state appropriation for fiscal~~
11 ~~year 2004 and \$1,429,000 of the general fund state appropriation for~~
12 ~~fiscal year 2005 are provided solely for operational costs associated~~
13 ~~with a less restrictive step down placement facility located outside of~~
14 ~~Pierce county. In selecting a site, the department is encouraged to~~
15 ~~purchase or lease a site in an industrial area close to employment~~
16 ~~opportunities and treatment services, in an effort to reduce operating~~
17 ~~expenditures related to transportation and staff time)). Of the~~
18 ~~remaining \$255,000 per year, the department shall reimburse the~~
19 ~~affected jurisdictions for their documented costs that have been~~
20 ~~negotiated in an interagency agreement between the department and each~~
21 ~~jurisdiction, as follows:~~

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

24 (ii) Up to \$45,000 per year shall be provided to affected
25 jurisdictions other than Pierce county for the costs of training their
26 law enforcement and administrative personnel as defined in RCW
27 71.09.344(2)(a).

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

31 (b) \$4,000 of the general fund--state appropriation for fiscal year
32 2004 and \$354,000 of the general fund--state appropriation for fiscal
33 year 2005 are provided solely for mitigation costs for the city of
34 Seattle associated with the development and occupancy of the secure
35 community transition facility in Seattle, as described in the
36 settlement agreement dated February 3, 2004, between the department and
37 the city of Seattle. If *City of Seattle v. DSHS*, King County Superior
38 Court Cause No. 03-2-37882-SEA is not dismissed with prejudice by July

1 1, 2004, this appropriation shall lapse. If the proceeding requested
2 by the city under RCW 71.09.342(5) is not withdrawn or dismissed with
3 prejudice by July 1, 2004, this appropriation shall lapse.

4 (4) SPECIAL PROJECTS

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

6 (5) PROGRAM SUPPORT

7 General Fund--State Appropriation (FY 2004) ((~~\$2,863,000~~))

8 \$3,144,000

9 General Fund--State Appropriation (FY 2005) ((~~\$2,751,000~~))

10 \$3,122,000

11 General Fund--Federal Appropriation ((~~\$5,011,000~~))

12 \$5,807,000

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

14 \$12,073,000

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

17 (a) \$113,000 of the general fund--state appropriation for fiscal
18 year 2004, \$125,000 of the general fund--state appropriation for fiscal
19 year 2005, and \$164,000 of the general fund--federal appropriation are
20 provided solely for the institute for public policy to evaluate the
21 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
22 297, Laws of 1998 (commitment of mentally ill persons), and chapter
23 334, Laws of 2001 (mental health performance audit).

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

36 (c) \$100,000 of the general fund--state appropriation for fiscal
37 year 2004 is provided solely for a study of community residential

1 psychiatric capacity to determine specific community mental health
2 needs, optimum treatment locations, and evaluate facility options,
3 including operations and staffing costs. The department shall make
4 recommendations to the appropriate committees of the legislature by
5 November 1, 2004.

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

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

10 (1) COMMUNITY SERVICES

11 General Fund--State Appropriation (FY 2004)	((\$262,458,000))
	<u>\$250,712,000</u>
13 General Fund--State Appropriation (FY 2005)	((\$268,826,000))
	<u>\$271,707,000</u>
15 General Fund--Federal Appropriation	((\$439,489,000))
	<u>\$450,614,000</u>
17 Health Services Account--State	
18 Appropriation	((\$1,038,000))
	<u>\$885,000</u>
20 TOTAL APPROPRIATION	((\$971,811,000))
	<u>\$973,918,000</u>

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

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

32 (b) The health services account appropriation and ((~~\$1,038,000~~))
33 \$885,000 of the general fund--federal appropriation are provided solely
34 for health care benefits for home care workers with family incomes
35 below 200 percent of the federal poverty level who are employed through
36 state contracts for twenty hours per week or more.

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

3 (ii) Home care agencies may obtain coverage either through the
4 basic health plan or through an alternative plan with substantially
5 equivalent benefits.

6 (iii) Beginning January 1, 2005, premium payments made to home care
7 agencies providing substantially equivalent coverage through a plan
8 other than the basic health plan will be at the same rate as if the
9 coverage was purchased through the basic health plan. However, if
10 House Bill No. (H-5136.1/04) is not enacted by June 30, 2004, this
11 subsection (b)(iii) is null and void.

12 (c) (~~(\$510,000)~~) \$587,000 of the general fund--state appropriation
13 for fiscal year 2004, (~~(\$784,000)~~) \$2,181,000 of the general fund--
14 state appropriation for fiscal year 2005, and (~~(\$1,225,000)~~) \$2,708,000
15 of the general fund--federal appropriation are provided solely for
16 community residential and support services. Funding in this subsection
17 shall be prioritized for (i) residents of residential habilitation
18 centers who are able to be adequately cared for in community settings
19 and who choose to live in those community settings; (~~and~~) (ii)
20 clients without residential services who are at immediate risk of
21 institutionalization or in crisis; (iii) children who are aging out of
22 other state services; and (iv) current home and community-based waiver
23 program clients who have been assessed as having an immediate need for
24 increased services. The department shall ensure that the average cost
25 per day for all program services other than start-up costs shall not
26 exceed \$300. In order to maximize the number of clients served and
27 ensure the cost-effectiveness of the waiver programs, the department
28 will strive to limit new client placement expenditures to 90 percent of
29 the budgeted daily rate. If this can be accomplished, additional
30 clients may be served with excess funds provided the total projected
31 carry-forward expenditures do not exceed the amounts estimated. The
32 department shall electronically report to the appropriate committees of
33 the legislature, within 45 days following each fiscal year quarter, the
34 number of residents moving into community settings and the actual
35 expenditures for all community services to support those residents.

36 (d) (~~(\$511,000)~~) \$617,000 of the general fund--state appropriation
37 for fiscal year 2004, (~~(\$616,000)~~) \$1,542,000 of the general fund--
38 state appropriation for fiscal year 2005, and (~~(\$1,073,000)~~) \$2,057,000

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

24 (e) The department shall provide a status report on the transition,
25 implementation, and operation of the four home and community-based
26 waivers which will replace the community alternatives program waiver.
27 The department shall electronically report to the appropriate
28 committees of the legislature, within 45 days following each fiscal
29 year quarter, the following information for each home and community-
30 based waiver: Total projected state and federal fiscal year
31 expenditures, year-to-date actual expenditures compared to projected
32 expenditures, year-to-date unduplicated clients compared to projected
33 clients, actual average per capita costs compared to projected per
34 capita costs, number of transfers between waivers, amount of emergency
35 funds spent to date compared to projected emergency costs, and the
36 year-to-date number of new clients added to a waiver program.

37 (f) The department may transfer funding provided in this subsection

1 to meet the purposes of subsection (2) of this section to the extent
2 that fewer residents of residential habilitation centers choose to move
3 to community placements than was assumed in this appropriation.

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

12 ~~((g))~~ (h) \$355,000 of the general fund--state appropriation for
13 fiscal year 2004, ~~((517,000))~~ \$780,000 of the general fund--state
14 appropriation for fiscal year 2005, and ~~((848,000))~~ \$1,092,000 of the
15 general fund--federal appropriation are provided solely to increase
16 payments to agency home care providers from \$13.44 per hour to \$14.27
17 per hour effective October 1, 2003, and to \$14.83 per hour effective
18 October 1, 2004. The amounts in this subsection shall be used to
19 increase wages for direct care workers by 75 cents per hour on October
20 1, 2003, and by an additional 50 cents per hour on October 1, 2004.
21 The amounts in this subsection also include the funds needed for the
22 employer share of unemployment and social security taxes on the amount
23 of the increase.

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

33 (2) INSTITUTIONAL SERVICES

34 General Fund--State Appropriation (FY 2004)	((71,862,000))
35	<u>\$67,708,000</u>
36 General Fund--State Appropriation (FY 2005)	((70,926,000))
37	<u>\$70,794,000</u>
38 General Fund--Federal Appropriation	((144,682,000))

1		<u>\$148,998,000</u>
2	General Fund--Private/Local Appropriation	\$11,228,000
3	TOTAL APPROPRIATION	((\$298,698,000))
4		<u>\$298,728,000</u>

5 The appropriations in this subsection are subject to the following
6 conditions and limitations: The department may transfer funding
7 provided in this subsection to meet the purposes of subsection (1) of
8 this section to the extent that more residents of residential
9 habilitation centers choose to move to community placements than was
10 assumed in this appropriation.

11	(3) PROGRAM SUPPORT	
12	General Fund--State Appropriation (FY 2004)	((\$2,245,000))
13		<u>\$2,474,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$2,245,000))
15		<u>\$3,208,000</u>
16	General Fund--Federal Appropriation	((\$2,965,000))
17		<u>\$4,209,000</u>
18	Telecommunications Devices for the Hearing and	
19	Speech Impaired Account Appropriation	((\$1,782,000))
20		<u>\$891,000</u>
21	TOTAL APPROPRIATION	((\$9,237,000))
22		<u>\$10,782,000</u>

23 The appropriations in this subsection are subject to the following
24 conditions and limitations: \$245,000 of the general fund--state
25 appropriation for fiscal year 2004, \$996,000 of the general fund--state
26 appropriation for fiscal year 2005, and \$1,258,000 of the general
27 fund--federal appropriation are provided solely for the purpose of
28 developing and implementing a consistent needs assessment instrument
29 for use on all clients with developmental disabilities. In developing
30 the instrument, the department shall develop a process for collecting
31 data on family income for minor children with developmental
32 disabilities who are clients of the department and shall ensure that
33 this information is captured as part of the client assessment process.

34	(4) SPECIAL PROJECTS	
35	General Fund--Federal Appropriation	((\$11,993,000))
36		<u>\$13,604,000</u>

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

5 (3) For purposes of implementing chapter 74.46 RCW, the weighted
6 average nursing facility payment rate shall be no more than (~~(\$144.54)~~)
7 \$142.04 for fiscal year 2004, and no more than (~~(\$147.43)~~) \$144.93 for
8 fiscal year 2005. For all facilities, the direct care, therapy care,
9 support services, and operations component rates established in
10 accordance with chapter 74.46 RCW shall be adjusted for economic trends
11 and conditions by 3.0 percent effective July 1, 2003.

12 (4) In accordance with chapter 74.46 RCW, the department shall
13 issue certificates of capital authorization that result in up to \$32
14 million of increased asset value completed and ready for occupancy in
15 fiscal year 2004; up to \$32 million of increased asset value completed
16 and ready for occupancy in fiscal year 2005; and up to \$32 million of
17 increased asset value completed and ready for occupancy in fiscal year
18 2006.

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

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

26 (a) (~~The~~) One waiver program shall include coverage of care in
27 community residential facilities, and the second shall include coverage
28 of home-based services. Enrollment in the waiver covering community
29 residential services shall not exceed 600 persons (~~(by the end of)~~) in
30 fiscal year 2004, nor 600 persons (~~(by the end of)~~) in fiscal year
31 2005. Enrollment in the waiver covering home-based services shall not
32 exceed 200 persons in fiscal year 2004, nor 200 persons in fiscal year
33 2005.

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

37 (c) The department shall track and electronically report to health
38 care and fiscal committees of the legislature by November 15, 2004, on

1 the types of long-term care support a sample of waiver participants
2 were receiving prior to their enrollment in the waivers, how those
3 services were being paid for, and an assessment of their adequacy.

4 (7) \$118,000 of the general fund--state appropriation for fiscal
5 year 2004, \$118,000 of the general fund--state appropriation for fiscal
6 year 2005, and \$236,000 of the general fund--federal appropriation are
7 provided solely for the department to assess at least annually each
8 elderly resident residing in residential habilitation centers and
9 state-operated living alternatives to determine if the resident can be
10 more appropriately served in a less restrictive setting.

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

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

19 (c) The appropriate interdisciplinary team shall conduct the
20 evaluation.

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

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

25 (8) Within funds appropriated in this section, the department may
26 ~~((assess nursing facility residents with Alzheimer's disease or related~~
27 ~~dementias to determine whether such residents can be more appropriately~~
28 ~~served in licensed boarding home facilities that specialize in caring~~
29 ~~for such conditions. The department may, based upon the assessments~~
30 ~~and within existing funds, pay dementia pilot project rates on behalf~~
31 ~~of)) expand the number of boarding home beds participating in the~~
32 ~~dementia pilot project by up to 200. These additional beds shall~~
33 ~~provide persons with Alzheimer's disease or related dementias who~~
34 ~~((move from nursing facilities to specialized boarding homes)) might~~
35 ~~otherwise require nursing home care accommodation in licensed boarding~~
36 ~~home facilities that specialize in caring for such conditions.~~

37 (9) The department shall establish waiting lists to the extent
38 necessary to assure that annual expenditures on the community options

1 program entry systems (COPEs) program do not exceed appropriated
2 levels. In establishing and managing any such waiting list, the
3 department shall assure priority access to persons with the greatest
4 unmet needs, as determined by department assessment processes.

5 (10) \$7,102,000 of the general fund--state appropriation for fiscal
6 year 2004, \$10,065,000 of the general fund--state appropriation for
7 fiscal year 2005, and \$17,029,000 of the general fund--federal
8 appropriation are provided solely for the purpose of providing a wage
9 increase effective October 1, 2003, for individual home care workers
10 providing state-funded services. The amounts in this subsection also
11 include the funds needed for the employer share of unemployment and
12 social security taxes on the amount of the increase.

13 (11) \$107,000 of the general fund--state appropriation for fiscal
14 year 2004, \$23,848,000 of the general fund--state appropriation for
15 fiscal year 2005, and \$23,239,000 of the general fund--federal
16 appropriation are provided solely for the purpose of implementing the
17 collective bargaining agreement between the home care quality authority
18 and the exclusive bargaining representative of individual providers.
19 The amounts in this subsection are provided solely to appropriate
20 funding for this purpose in the event that appropriations for this
21 purpose are not enacted in separate legislation. If appropriations for
22 this purpose in amounts equal to or greater than the amounts
23 appropriated in this subsection are enacted in separate legislation
24 prior to April 4, 2004, the amounts provided in this subsection shall
25 lapse. Amounts provided in this subsection may be transferred from the
26 aging and adult services program to other programs within the
27 department or to the home care quality authority to implement the
28 collective bargaining agreement.

29 (12) \$2,219,000 of the general fund--state appropriation for fiscal
30 year 2004, (~~(\$3,192,000)~~) \$4,837,000 of the general fund--state
31 appropriation for fiscal year 2005, and (~~(\$5,263,000)~~) \$6,898,000 of
32 the general fund--federal appropriation are provided solely to increase
33 payments to agency home care providers from \$13.44 per hour to \$14.27
34 per hour effective October 1, 2003, and to \$14.83 per hour effective
35 October 1, 2004. The amounts in this subsection shall be used to
36 increase wages for direct care workers by 75 cents per hour on October
37 1, 2003, and by an additional 50 cents per hour on October 1, 2004.

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

4 (13) \$53,000 of the general fund--local appropriation and \$53,000
5 of the general fund--federal appropriation are provided solely to
6 improve the timeliness of processing boarding home licensing
7 applications.

8 (14) \$500,000 of the general fund--state appropriation for fiscal
9 year 2005 is provided solely for area agencies on aging, or entities
10 with which area agencies on aging contract, to provide support services
11 for kinship caregivers throughout the state.

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

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

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

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

26 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
27 **PROGRAM**

28	General Fund--State Appropriation (FY 2004)	((\$408,184,000))
29		<u>\$445,968,000</u>
30	General Fund--State Appropriation (FY 2005)	((\$407,363,000))
31		<u>\$438,823,000</u>
32	General Fund--Federal Appropriation	((\$1,209,758,000))
33		<u>\$1,207,983,000</u>
34	General Fund--Private/Local Appropriation	\$33,880,000
35	TOTAL APPROPRIATION	((\$2,059,185,000))
36		<u>\$2,126,654,000</u>

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

3 (1) \$273,652,000 of the general fund--state appropriation for
4 fiscal year 2004, \$273,695,000 of the general fund--state appropriation
5 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal
6 appropriation are provided solely for all components of the WorkFirst
7 program. Within the amounts provided for the WorkFirst program, the
8 department shall:

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

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

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

25 (2) (~~(\$45,639,000)~~) \$57,547,000 of the general fund--state
26 appropriation for fiscal year 2004 and (~~(\$39,335,000)~~) \$59,953,000 of
27 the general fund--state appropriation for fiscal year 2005 are provided
28 solely for cash assistance and other services to recipients in the
29 general assistance--unemployable program. Within these amounts, the
30 department may expend funds for services that assist recipients to
31 reduce their dependence on public assistance, provided that
32 expenditures for these services and cash assistance do not exceed the
33 funds provided.

34 (3) (~~(\$1,436,000)~~) \$936,000 of the general fund--state
35 appropriation for fiscal year 2004 and (~~(\$1,436,000)~~) \$936,000 of the
36 general fund--state appropriation for fiscal year 2005 are provided for
37 the department to assist in naturalization efforts for legal aliens

1 whose eligibility for federal supplemental security income has expired.
2 The department shall use funding previously spent on general assistance
3 employment supports for these naturalization services.

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

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

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

20 (7) \$1,000,000 of the general fund--state appropriation for fiscal
21 year 2005 is provided solely to implement, within funds appropriated in
22 this subsection, a child care career and wage ladder program. The
23 child care career and wage ladder shall provide increased wages for
24 child care workers based on their work experience, level of
25 responsibility, and education. To the extent practicable within
26 available funds, the program shall be modeled after the child care
27 career and wage ladder program in place from 2000 to 2003. Licensed
28 child care centers may only be eligible if they meet the following
29 criteria: (a) At least ten percent of child care slots are dedicated
30 to children whose care is subsidized by the state or any political
31 subdivision thereof or any local government; (b) agree to adopt the
32 child care career and wage ladder; and (c) meet further program
33 standards as established by rule. Because available funds may not be
34 sufficient to allow all qualifying child care centers to participate,
35 the department shall develop a system for prioritizing child care
36 centers interested in adopting the child care career and wage ladder.

37 (8) \$900,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for a subsidy rate increase for child care
2 providers in urban areas of region 1.

3 (9) \$2,000,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for the department to maintain specialized
5 employment services through the WorkFirst/LEP pathway program for
6 refugees and other limited-English-proficient (LEP) families and
7 individuals that receive temporary assistance for needy families, state
8 family assistance, or refugee cash assistance benefits. These
9 employment services include but are not limited to English as a second
10 language (ESL), job placement assistance, and work support services.
11

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

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
15 **ABUSE PROGRAM**

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

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

1 take steps including but not limited to reduction of rates or
2 elimination of optional services to reduce expenditures so that total
3 program costs do not exceed the annual appropriation authority.

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

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

11 (4) (~~(\$999,000)~~) \$493,000 of the health services account
12 appropriation for fiscal year 2004, (~~(\$1,519,000)~~) \$748,000 of the
13 health services account appropriation for fiscal year 2005, and
14 (~~(\$2,142,000)~~) \$1,241,000 of the general fund--federal appropriation
15 are provided solely for implementation of a "ticket to work" medicaid
16 buy-in program for working persons with disabilities, operated in
17 accordance with the following conditions:

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

20 (b) Participants shall participate in the cost of the program by
21 paying (i) a monthly enrollment fee equal to fifty percent of any
22 unearned income in excess of the medicaid medically needy standard; and
23 (ii) a monthly premium equal to 5 percent of all unearned income, plus
24 5 percent of all earned income after disregarding the first sixty-five
25 dollars of monthly earnings, and half the remainder;

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

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

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

35 (6) Sufficient funds are appropriated in this section for the
36 department to provide an adult dental benefit equivalent to
37 approximately 75 percent of the dental benefit provided during the

1 2001-03 biennium. The department shall establish the scope of services
2 to be provided within the available funds in consultation with dental
3 providers and consumer representatives.

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

7 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,952,000
8 of the fiscal year 2004 health services account appropriation,
9 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services
10 account appropriation, and (~~(\$87,074,000)~~) \$61,038,000 of the general
11 fund--federal appropriation are provided solely for supplemental
12 payments to nursing homes operated by rural public hospital districts.
13 The payments shall be conditioned upon (a) a contractual commitment by
14 the association of public hospital districts and participating rural
15 public hospital districts to make an intergovernmental transfer to the
16 state treasurer, for deposit into the health services account, equal to
17 at least (~~(94.5)~~) 91.8 percent of the supplemental payments; (b) a
18 contractual commitment by the association of public hospital districts
19 to return at least (~~(5.5)~~) 8.2 percent of the supplemental payments to
20 the participating rural hospital districts; and (c) a contractual
21 commitment by the participating districts to not allow expenditures
22 covered by the supplemental payments to be used for medicaid nursing
23 home rate setting. A hospital which does not participate in the
24 supplemental payment intergovernmental transfer budgeted for fiscal
25 year 2003 shall not be eligible to participate in the supplemental
26 payments budgeted in this subsection for fiscal years 2004 and 2005.
27 The participating districts shall retain no more than a total of
28 \$9,600,000 for the 2003-05 biennium.

29 (9) (~~(\$14,616,000)~~) \$12,318,000 of the health services account
30 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$10,738,000 of the
31 health services account appropriation for fiscal year 2005, and
32 (~~(\$27,010,000)~~) \$23,056,000 of the general fund--federal appropriation
33 are provided solely for additional disproportionate share and medicare
34 upper payment limit payments to public hospital districts and to the
35 state's teaching hospitals. The payments shall be conditioned upon a
36 contractual commitment by the participating public hospitals to make an
37 intergovernmental transfer to the health services account equal to at
38 least 91 percent of the additional payments. The state's teaching

1 hospitals shall retain at least 28 percent of the amounts retained by
2 hospitals under these programs, or the maximum allowable under the
3 teaching hospitals' limits as established under federal rule, whichever
4 is less.

5 (10) \$3,100,000 of the health services account appropriation,
6 (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local appropriation, and
7 (~~(\$11,516,000)~~) \$7,308,000 of the general fund--federal appropriation
8 are provided solely for grants to rural hospitals. The department
9 shall distribute the funds under a formula that provides a relatively
10 larger share of the available funding to hospitals that (a) serve a
11 disproportionate share of low-income and medically indigent patients
12 and (b) have relatively smaller net financial margins, to the extent
13 allowed by the federal medicaid program.

14 (11) \$10,000,000 of the general fund--state appropriation for
15 fiscal year 2005, \$26,080,000 of the health services account
16 appropriation, and \$26,080,000 of the general fund--federal
17 appropriation are provided solely for grants to nonrural hospitals.
18 The department shall distribute the funds under a formula that provides
19 a relatively larger share of the available funding to hospitals that
20 (a) serve a disproportionate share of low-income and medically indigent
21 patients and (b) have relatively smaller net financial margins, to the
22 extent allowed by the federal medicaid program.

23 (~~((13) \$156,000))~~ (12) \$302,000 of the general fund--state
24 appropriation for fiscal year 2004, \$1,671,000 of the general fund--
25 state appropriation for fiscal year 2005, and (~~(\$1,403,000)~~)
26 \$17,757,000 of the general fund--federal appropriation are provided
27 solely for (~~(a study to assess alternatives for replacing the existing~~
28 ~~medicaid management information system. The department shall report to~~
29 ~~the information services board and to the fiscal committees of the~~
30 ~~legislature by December 1, 2003, on the anticipated costs and benefits~~
31 ~~of the major alternative approaches)) development and implementation of
32 a replacement system for the existing medicaid management information
33 system.~~

34 (~~((14))~~) (13) The department shall implement a combination of cost
35 containment and utilization strategies sufficient to reduce general
36 fund--state costs for durable medical equipment and supplies in fiscal
37 year 2005 by approximately 5 percent below the level projected for
38 fiscal year 2005 in the February 2003 forecast. In designing

1 strategies, the primary strategy considered shall be selective or
2 direct contracting with durable medical equipment and supplies vendors
3 or manufacturers.

4 ~~((+15+))~~ (14) The department shall, within available resources,
5 design and implement a medical care services care management pilot
6 project for clients receiving general assistance benefits. The pilot
7 project shall be operated in at least two of the counties with the
8 highest concentration of general assistance clients, and may use a full
9 or partial capitation model. In designing the project, the department
10 shall consult with the mental health division and its managed care
11 contractors that include community and migrant health centers in their
12 provider network. The pilot project shall be designed to maximize care
13 coordination, high-risk medical management, and chronic care management
14 to achieve better health outcomes. The pilot project shall begin
15 enrollment on July 1, 2004.

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

21 ~~((+17+))~~ (16) The department shall include in any pending medicaid
22 reform section 1115 waiver application, or in any existing section 1115
23 waiver, a request for authorization to provide optional medicaid
24 services that have been eliminated in this act to American Indian and
25 Alaska Native persons as defined in relevant federal law who are
26 eligible for medicaid only to the extent that such services are
27 provided through the American Indian health system and are financed
28 with one hundred percent federal medicaid matching funds.

29 ~~((+18+))~~ (17) The department shall establish managed care rates
30 within available funds, giving specific consideration to each plan's
31 programmatic and financial performance, and ability to assure access in
32 under-served areas.

33 ~~((+19+))~~ (18) The department of social and health services, the
34 office of the superintendent of public instruction, and the department
35 of health should jointly identify opportunities for early intervention
36 and prevention activities that can help prevent disease and reduce oral
37 health issues among children. Disease prevention among infants at the

1 age of one year and among children entering the K-12 education system
2 provides cost-effective ways to avoid higher health care spending later
3 in life.

4 ~~((+20))~~ (19) The department shall secure a federal waiver,
5 effective no later than September 1, 2003, which will enable it to
6 charge co-premiums for medical and dental coverage of children whose
7 family incomes exceed the federal poverty level.

8 ~~((+21))~~ (20) For purposes of RCW 74.09.800(2), ~~(((\$9,549,000))~~
9 \$8,017,000 of the general fund--state appropriation for fiscal year
10 2004, ~~(((\$10,779,000))~~ \$8,454,000 of the general fund--state
11 appropriation for fiscal year 2005, and ~~(((\$37,753,000))~~ \$30,588,000 of
12 the general fund--federal appropriation are provided solely to provide
13 prenatal care services to low-income women who are not eligible to
14 receive such services under the medical assistance program, Title XIX
15 of the federal social security act. If the department is unable to
16 secure federal matching funds under Title XXI of the social security
17 act, the department shall take all actions necessary to manage the
18 program within these appropriated levels.

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

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

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

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

1 General Fund--Federal Appropriation (~~(\$85,803,000)~~)
2 \$85,804,000
3 General Fund--Local Appropriation \$440,000
4 Telecommunication Devices for the Hearing and
5 Speech Impaired Account Appropriation \$891,000
6 TOTAL APPROPRIATION (~~(\$106,625,000)~~)
7 \$107,498,000

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

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
11 **SUPPORTING SERVICES PROGRAM**

12 General Fund--State Appropriation (FY 2004) (~~(\$35,926,000)~~)
13 \$37,620,000
14 General Fund--State Appropriation (FY 2005) (~~(\$25,968,000)~~)
15 \$28,824,000
16 General Fund--Federal Appropriation (~~(\$45,752,000)~~)
17 \$52,021,000
18 General Fund--Private/Local Appropriation \$810,000
19 Public Safety and Education Account--State
20 Appropriation \$2,444,000
21 Violence Reduction and Drug Enforcement Account--State
22 Appropriation \$4,152,000
23 Domestic Violence Prevention Account--State
24 Appropriation \$395,000
25 TOTAL APPROPRIATION (~~(\$108,456,000)~~)
26 \$126,266,000

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

29 (1) \$467,000 of the general fund--state appropriation for fiscal
30 year 2004, \$769,000 of the general fund--state appropriation for fiscal
31 year 2005, and \$1,236,000 of the general fund--federal appropriation
32 are provided solely for transition costs associated with the downsizing
33 effort at Fircrest school. The department shall organize the
34 downsizing effort so as to minimize disruption to clients, employees,
35 and the developmental disabilities program. The employees responsible
36 for the downsizing effort shall report to the assistant secretary of

1 the aging and disability services administration. Within the funds
2 provided in this subsection, the department shall:

3 (a) Determine appropriate ways to maximize federal reimbursement
4 during the downsizing process;

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

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

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

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

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

29 (3) \$100,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$100,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for a contract for expanded
32 services of the teamchild project.

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

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

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

8 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
9 **AGENCIES PROGRAM**

10	General Fund--State Appropriation (FY 2004)	((\$42,011,000))
11		<u>\$43,454,000</u>
12	General Fund--State Appropriation (FY 2005)	((\$42,011,000))
13		<u>\$43,493,000</u>
14	General Fund--Federal Appropriation	((\$41,994,000))
15		<u>\$43,321,000</u>
16	TOTAL APPROPRIATION	((\$126,016,000))
17		<u>\$130,268,000</u>

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

20 **FOR THE STATE HEALTH CARE AUTHORITY**

21	State Health Care Authority Administrative	
22	Account--State Appropriation	((\$17,665,000))
23		<u>\$18,942,000</u>
24	Health Services Account--State Appropriation	((\$415,459,000))
25		<u>\$415,935,000</u>
26	<u>General Fund--State Appropriation (FY 2005)</u>	<u>\$5,050,000</u>
27	General Fund--Federal Appropriation	((\$3,307,000))
28		<u>\$3,875,000</u>
29	Medical Aid Account--State Appropriation	((\$128,000))
30		<u>\$213,000</u>
31	TOTAL APPROPRIATION	((\$436,559,000))
32		<u>\$444,015,000</u>

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

35 (1) \$5,000,000 of the general fund--state appropriation is provided

1 solely to increase funding for health care services provided through
2 local community clinics.

3 (2) \$6,000,000 of the health services account--state appropriation
4 is provided solely to increase the number of persons not eligible for
5 medicaid receiving dental care from nonprofit community clinics, and
6 for interpreter services to support dental and medical services for
7 persons for whom interpreters are not available from any other source.

8 ~~((+2))~~ (3) \$50,000 of the general fund--state appropriation is
9 provided solely to support the operation of an innovative clinic model
10 for the delivery of health services to uninsured or publicly insured
11 persons that is located in an urban underserved area and operated as a
12 department or subsidiary of a hospital located in that underserved
13 area; has been in operation for fewer than six months as of the
14 effective date of this act; utilizes an innovative service delivery
15 model that relies upon midlevel practitioners, volunteers, and students
16 enrolled in health education programs and offers group visits for
17 common conditions; and has a sliding fee schedule that assumes that
18 every patient of the clinic will make some contribution towards the
19 cost of his or her care.

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

31 ~~((+3))~~ (5) Within funds appropriated in this section and sections
32 205 and 206 of this act, the health care authority shall continue to
33 provide an enhanced basic health plan subsidy for foster parents
34 licensed under chapter 74.15 RCW and workers in state-funded home care
35 programs. Under this enhanced subsidy option, foster parents and home
36 care workers with family incomes below 200 percent of the federal
37 poverty level shall be allowed to enroll in the basic health plan at

1 the minimum premium amount charged to enrollees with incomes below
2 sixty-five percent of the federal poverty level.

3 ~~((+4))~~ (6) The health care authority shall require organizations
4 and individuals which are paid to deliver basic health plan services
5 and which choose to sponsor enrollment in the subsidized basic health
6 plan to pay 133 percent of the premium amount which would otherwise be
7 due from the sponsored enrollees.

8 ~~((+5))~~ (7) The administrator shall take at least the following
9 actions to assure that persons participating in the basic health plan
10 are eligible for the level of assistance they receive: (a) Require
11 submission of income tax returns, and recent pay history, from all
12 applicants; (b) check employment security payroll records at least once
13 every twelve months on all enrollees; (c) require enrollees whose
14 income as indicated by payroll records exceeds that upon which their
15 subsidy is based to document their current income as a condition of
16 continued eligibility; (d) require enrollees for whom employment
17 security payroll records cannot be obtained to document their current
18 income at least once every six months; (e) not reduce gross family
19 income for self-employed persons by noncash-flow expenses such as, but
20 not limited to, depreciation, amortization, and home office deductions,
21 as defined by the United States internal revenue service; and (f)
22 pursue repayment and civil penalties from persons who have received
23 excessive subsidies, as provided in RCW 70.47.060(9).

24 ~~((+6))~~ (8) To decrease administrative burdens for providers and
25 plans participating in state purchased health care programs, the
26 administrator, the assistant secretary for the medical assistance
27 administration of the department of social and health services, and the
28 director of the department of labor and industries, in collaboration
29 with health carriers, health care providers, and the office of the
30 insurance commissioner shall, within available resources:

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

34 (b) Improve the capacity for electronic billing and claims
35 submission and provide electronic access to eligibility, benefits, and
36 exclusion information;

37 (c) Develop clear audit and data requirements for contracting

1 managed health care plans and improve consistency between claims
2 processing and published fee schedules;

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

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

10 (9) \$145,000 of the health services account--state appropriation is
11 provided solely to implement House Bill No. 2469 (Canadian prescription
12 drug purchasing). If the bill is not enacted by June 30, 2004, the
13 amount provided in this subsection shall lapse.

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

16 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

17 Municipal Criminal Justice Assistance Account--

18 Local Appropriation \$460,000

19 Death Investigations Account--State

20 Appropriation \$148,000

21 Public Safety and Education Account--State

22 Appropriation ((~~\$18,078,000~~))

23 \$18,128,000

24 TOTAL APPROPRIATION ((~~\$18,686,000~~))

25 \$18,736,000

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

28 (1) \$124,000 of the public safety and education account
29 appropriation is provided solely to allow the Washington association of
30 sheriffs and police chiefs to increase the technical and training
31 support provided to the local criminal justice agencies on the new
32 incident-based reporting system and the national incident-based
33 reporting system.

34 (2) \$136,000 of the public safety and education account
35 appropriation is provided solely to allow the Washington association of
36 prosecuting attorneys to enhance the training provided to criminal
37 justice personnel.

1 (3) \$65,000 of the public safety and education account
2 appropriation is provided solely for regionalized training programs for
3 school district and local law enforcement officials on school safety
4 issues.

5 (4) \$250,000 of the public safety and education account
6 appropriation is provided solely to the Washington association of
7 sheriffs and police chiefs for staffing and support of a web site to
8 provide information about sex offenders.

9 (5) \$50,000 of the public safety and education account
10 appropriation is provided solely for the implementation of Engrossed
11 Substitute House Bill No. 2556 (criminal background checks). If the
12 bill is not enacted by June 30, 2004, the amount provided in this
13 subsection shall lapse.

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

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

17	General Fund--State Appropriation (FY 2004)	\$5,863,000
18	General Fund--State Appropriation (FY 2005)	((\$5,860,000))
19		<u>\$6,437,000</u>
20	Public Safety and Education Account--State	
21	Appropriation	\$22,391,000
22	Public Safety and Education Account--Federal	
23	Appropriation	\$8,462,000
24	Asbestos Account--State Appropriation	((\$693,000))
25		<u>\$717,000</u>
26	Electrical License Account--State	
27	Appropriation	((\$28,966,000))
28		<u>\$29,589,000</u>
29	Farm Labor Revolving Account--Private/Local	
30	Appropriation	\$28,000
31	Worker and Community Right-to-Know Account--State	
32	Appropriation	((\$2,544,000))
33		<u>\$2,557,000</u>
34	Public Works Administration Account--State	
35	Appropriation	((\$2,411,000))
36		<u>\$2,477,000</u>
37	Accident Account--State Appropriation	((\$187,843,000))

1 appropriation for fiscal year 2005 are provided solely for the design
2 and development of the home care provider registry mandated by
3 Initiative Measure No. 775.

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

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

10 **FOR THE DEPARTMENT OF HEALTH**

11	General Fund--State Appropriation (FY 2004)	((\$58,143,000))
12		<u>\$57,853,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$60,224,000))
14		<u>\$60,375,000</u>
15	Health Services Account--State Appropriation	((\$34,289,000))
16		<u>\$37,389,000</u>
17	General Fund--Federal Appropriation	((\$348,897,000))
18		<u>\$390,062,000</u>
19	General Fund--Private/Local Appropriation	\$93,601,000
20	Hospital Commission Account--State	
21	Appropriation	\$2,490,000
22	Health Professions Account--State	
23	Appropriation	((\$40,097,000))
24		<u>\$40,571,000</u>
25	Emergency Medical Services and Trauma Care Systems	
26	Trust Account--State Appropriation	\$12,558,000
27	Safe Drinking Water Account--State	
28	Appropriation	\$2,728,000
29	Drinking Water Assistance Account--Federal	
30	Appropriation	((\$13,498,000))
31		<u>\$15,654,000</u>
32	Waterworks Operator Certification--State	
33	Appropriation	((\$633,000))
34		<u>\$1,053,000</u>
35	<u>Drinking Water Assistance Administrative Account--</u>	
36	<u>State Appropriation</u>	<u>\$326,000</u>
37	Water Quality Account--State Appropriation	\$3,359,000

1	Accident Account--State Appropriation	\$258,000
2	Medical Aid Account--State Appropriation	\$46,000
3	State Toxics Control Account--State	
4	Appropriation	\$2,761,000
5	Medical Test Site Licensure Account--State	
6	Appropriation	\$1,718,000
7	Youth Tobacco Prevention Account--State	
8	Appropriation	\$1,806,000
9	Tobacco Prevention and Control Account--State	
10	Appropriation	\$52,510,000
11	<u>Patient Safety Account--State Appropriation</u>	<u>\$100,000</u>
12	TOTAL APPROPRIATION	((\$729,616,000))
13		<u>\$777,218,000</u>

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

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

24 (2) \$1,337,000 of the general fund--state fiscal year 2004
25 appropriation and \$1,338,000 of the general fund--state fiscal year
26 2005 appropriation are provided solely for the implementation of the
27 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
28 DOH-03, and DOH-04.

29 (3) The department of health shall not initiate any services that
30 will require expenditure of state general fund moneys unless expressly
31 authorized in this act or other law. The department may seek, receive,
32 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not
33 anticipated in this act as long as the federal funding does not require
34 expenditure of state moneys for the program in excess of amounts
35 anticipated in this act. If the department receives unanticipated
36 unrestricted federal moneys, those moneys shall be spent for services
37 authorized in this act or in any other legislation that provides
38 appropriation authority, and an equal amount of appropriated state

1 moneys shall lapse. Upon the lapsing of any moneys under this
2 subsection, the office of financial management shall notify the
3 legislative fiscal committees. As used in this subsection,
4 "unrestricted federal moneys" includes block grants and other funds
5 that federal law does not require to be spent on specifically defined
6 projects or matched on a formula basis by state funds.

7 (4) (~~(\$21,650,000)~~) \$24,350,000 of the health services account--
8 state appropriation is provided solely for the state's program of
9 universal access to essential childhood vaccines. The department shall
10 utilize all available federal funding before expenditure of these
11 funds.

12 (5) \$2,984,000 of the general fund--local appropriation is provided
13 solely for development and implementation of an internet-based system
14 for preparing and retrieving death certificates as provided in
15 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
16 vital records).

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

25 (7) \$92,000 of the general fund--state appropriation for fiscal
26 year 2004, \$19,000 of the general fund--state appropriation for fiscal
27 year 2005, and \$987,000 of the general fund--local appropriation are
28 provided solely for implementation of Substitute House Bill No. 1338
29 (municipal water rights). If Substitute House Bill No. 1338 is not
30 enacted by June 30, 2003, the amounts provided in this subsection shall
31 lapse.

32 (8) \$65,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely to enhance and protect basin flows to
34 implement Substitute House Bill No. 2396 (instream flows). If the bill
35 is not enacted by June 30, 2004, the amount provided in this subsection
36 shall lapse.

37 (9) \$500,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided solely for the department to implement a

1 multiyear pilot project in Yakima and Franklin counties for persons
2 with household income at or below 200 percent of the federal poverty
3 level who are ineligible for family planning services through the
4 medicaid program. Individuals who will be served under the pilot
5 include women who have never been pregnant, are not currently pregnant,
6 or are beyond the family planning extension period allowed for first
7 steps program eligibility. It is anticipated that the pilot project
8 will serve approximately 2,000 women annually. The department will
9 provide a preliminary report to the appropriate committees of the
10 legislature by December 1, 2005.

11 (10) \$188,000 of the health professions account--state
12 appropriation is provided solely to increase the regulation of sales of
13 precursor drugs that are often used to illegally manufacture
14 methamphetamine to implement Engrossed Substitute House Bill No. 2844
15 (ephedrine). If the bill is not enacted by June 30, 2004, the amount
16 provided in this subsection shall lapse.

17 (11) \$83,000 of the health professions account--state appropriation
18 is provided solely to expand the scope of practice for naturopaths to
19 implement Substitute House Bill No. 1862 (naturopaths). If the bill is
20 not enacted by June 30, 2004, the amount provided in this subsection
21 shall lapse.

22 (12) \$100,000 of the patient safety account--state appropriation is
23 provided solely to support efforts to reduce medical errors and enhance
24 patient safety to implement Engrossed Second Substitute House Bill No.
25 2786 (patient safety practices). If the bill is not enacted by June
26 30, 2004, the amount provided in this subsection shall lapse.

27 (13) \$203,000 of the health professions account--state
28 appropriation is provided solely for a task force on improvement of
29 health professions discipline to implement Engrossed Substitute House
30 Bill No. 2834 (health profession discipline). If the bill is not
31 enacted by June 30, 2004, the amount provided in this subsection shall
32 lapse.

33 (14) \$25,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely to develop and implement best practices in
35 preventative health care for children. The department and the kids get
36 care program of public health - Seattle and King county will work in
37 collaboration with local health care agencies to disseminate strategic
38 interventions that are focused on evidence-based best practices for

1 improving health outcomes in children and saving health care costs. A
2 report shall be provided to the appropriate committees of the
3 legislature by June 30, 2005, on the program effectiveness and cost
4 savings. This funding shall be matched by an equal amount of local
5 funding.

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

8 **FOR THE DEPARTMENT OF CORRECTIONS**

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

18 (1) ADMINISTRATION AND SUPPORT SERVICES

19 General Fund--State Appropriation (FY 2004)	((\$38,317,000))
	<u>\$36,534,000</u>
21 General Fund--State Appropriation (FY 2005)	((\$35,473,000))
22	<u>\$38,942,000</u>
23 Public Safety and Education Account--State	
24 Appropriation	\$3,657,000
25 Violence Reduction and Drug Enforcement	
26 Account Appropriation	\$26,000
27 TOTAL APPROPRIATION	((\$77,473,000))
28	<u>\$79,159,000</u>

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

31 (a) \$700,000 of the general fund--state appropriation for fiscal
32 year 2004 ((is)) and \$2,550,000 of the general fund--state
33 appropriation for fiscal year 2005 are provided solely for the
34 continuation of phase two of the department's offender-based tracking
35 system replacement project. ((This)) The amounts ((is)) are

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

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

8 (2) CORRECTIONAL OPERATIONS

9	General Fund--State Appropriation (FY 2004)	((\$441,122,000))
10		<u>\$458,402,000</u>
11	General Fund--State Appropriation (FY 2005)	((\$449,520,000))
12		<u>\$477,061,000</u>
13	General Fund--Federal Appropriation	((\$8,746,000))
14		<u>\$4,090,000</u>
15	Violence Reduction and Drug Enforcement Account--	
16	State Appropriation	\$3,008,000
17	TOTAL APPROPRIATION	((\$902,396,000))
18		<u>\$942,561,000</u>

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

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

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

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

35 (d) During the 2003-05 biennium, when contracts are established or
36 renewed for offender pay phone and other telephone services provided to
37 inmates, the department shall select the contractor or contractors
38 primarily based on the following factors: (i) The lowest rate charged

1 to both the inmate and the person paying for the telephone call; and
2 (ii) the lowest commission rates paid to the department, while
3 providing reasonable compensation to cover the costs of the department
4 to provide the telephone services to inmates and provide sufficient
5 revenues for the activities funded from the institutional welfare
6 betterment account.

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

15 (3) COMMUNITY SUPERVISION

16	General Fund--State Appropriation (FY 2004)	((\$73,952,000))
17		<u>\$87,626,000</u>
18	General Fund--State Appropriation (FY 2005)	((\$74,200,000))
19		<u>\$88,631,000</u>
20	Public Safety and Education	
21	Account--State Appropriation	\$15,492,000
22	TOTAL APPROPRIATION	((\$163,644,000))
23		<u>\$191,749,000</u>

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

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

31 (b) \$75,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$75,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the department of corrections
34 to contract with the institute for public policy for responsibilities
35 assigned in chapter 196, Laws of 1999 (offender accountability act) and
36 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
37 sentencing).

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

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

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

12 (iii) The pilot project shall test the system using sex or
13 kidnapping offenders under the jurisdiction of the department of
14 corrections and persons civilly committed under chapter 71.09 RCW under
15 a variety of supervision circumstances. Offenders included in the
16 pilot project shall be offenders who have been classified as level
17 three offenders by the end of sentence review committee and over whom
18 the department of corrections has authority to establish conditions of
19 supervision or persons who have been ordered to be electronically
20 monitored by the court in a proceeding under chapter 71.09 RCW and who
21 have been classified as level three offenders by the end of sentence
22 review committee.

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

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

30 (A) The availability of the technology, including a description of
31 the system used and a discussion of the various types of global
32 positioning system-based monitoring available and appropriate for a sex
33 offender population;

34 (B) Any geographic or weather-related limitations posed by the
35 technology;

36 (C) The reliability, including the false alarm rate of the
37 technology;

1 (D) Any training requirements for department of corrections staff
2 or supervised persons;

3 (E) Any distinctions in effectiveness or feasibility for different
4 supervision populations;

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

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

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

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

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

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

21 (4) CORRECTIONAL INDUSTRIES

22	General Fund--State Appropriation (FY 2004)	\$626,000
23	General Fund--State Appropriation (FY 2005)	(\$626,000)
24		<u>\$663,000</u>
25	TOTAL APPROPRIATION	(\$1,252,000)
26		<u>\$1,289,000</u>

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

29 (a) \$110,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$110,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for transfer to the jail
32 industries board. The board shall use the amounts provided only for
33 administrative expenses, equipment purchases, and technical assistance
34 associated with advising cities and counties in developing, promoting,
35 and implementing consistent, safe, and efficient offender work
36 programs.

37 (b) \$37,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided solely for the implementation of Engrossed Second

1 Substitute House Bill No. 3026 (correctional industries). If the bill
2 is not enacted by June 30, 2004, the amount provided in this subsection
3 (b) shall lapse.

4 (5) INTERAGENCY PAYMENTS

5	General Fund--State Appropriation (FY 2004)	((\$25,099,000))
6		<u>\$26,259,000</u>
7	General Fund--State Appropriation (FY 2005)	((\$25,134,000))
8		<u>\$26,288,000</u>
9	TOTAL APPROPRIATION	((\$50,233,000))
10		<u>\$52,547,000</u>

11 The appropriations in this subsection are subject to the following
12 conditions and limitations: \$70,000 of the general fund--state
13 appropriation for fiscal year 2005 is provided solely for the
14 implementation of Engrossed Second Substitute House Bill No. 3026
15 (correctional industries). If the bill is not enacted by June 30,
16 2004, the amount provided in this subsection shall lapse.

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

19 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

20	General Fund--Federal Appropriation	\$267,586,000
21	General Fund--Private/Local Appropriation	\$30,103,000
22	Unemployment Compensation Administration Account--	
23	Federal Appropriation	((\$184,878,000))
24		<u>\$191,331,000</u>
25	Administrative Contingency Account--State	
26	Appropriation	((\$14,721,000))
27		<u>\$12,721,000</u>
28	Employment Service Administrative Account--State	
29	Appropriation	\$23,184,000
30	TOTAL APPROPRIATION	((\$520,472,000))
31		<u>\$524,925,000</u>

32 The appropriations in this subsection are subject to the following
33 conditions and limitations: \$100,000 of the administrative contingency
34 account appropriation is provided solely to ~~((establish an advisory~~
35 ~~partnership on the Washington manufacturing sector as outlined in~~
36 ~~Substitute House Bill No. 2164 (manufacturing advisory partnership) and~~

1 ~~recommended in the report entitled manufacturing in Washington state,~~
2 ~~1990-2002: trends and implications for the industry and state)) the~~
3 ~~employment security department for manufacturing economic research and~~
4 ~~surveys with findings reported to relevant legislative committees,~~
5 ~~business, and labor.~~

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004)	((\$33,464,000))
	<u>\$35,746,000</u>
General Fund--State Appropriation (FY 2005)	((\$33,263,000))
	<u>\$35,993,000</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>\$59,806,000</u>
3	State Toxics Control Account--Private/Local	
4	Appropriation	((\$353,000))
5		<u>\$455,000</u>
6	Local Toxics Control Account--State	
7	Appropriation	\$4,878,000
8	Water Quality Permit Account--State	
9	Appropriation	\$25,205,000
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>\$8,073,000</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	<u>Vehicle Tire Recycling Account--</u>	
34	<u>State Appropriation</u>	<u>\$1,735,000</u>
35	Water Pollution Control Revolving Account--	
36	Federal Appropriation	((\$1,867,000))
37		<u>\$1,901,000</u>
38	TOTAL APPROPRIATION	((\$301,337,000))

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

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

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

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

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

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

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

35 (7) \$100,000 of the state toxics control account--state
36 appropriation is provided solely to implement Engrossed Substitute
37 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill

1 is not enacted by June 30, 2003, the amount provided in this subsection
2 shall lapse.

3 (8) The department of ecology is authorized to take one of the
4 following actions related to the grant awarded in the 2001-03 biennium
5 to Lincoln county for the Negro Creek flood control project, flood
6 control assistance account program grant G0200049: (a) Carry forward
7 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
8 the time of performance for the grant contract to the end of the 2003-
9 2005 biennium.

10 (9) Within the amounts appropriated the department shall convene
11 and provide staff support for a water resources administration and
12 funding task force. The task force shall review the administrative
13 organization and activities of the departments of ecology and fish and
14 wildlife regarding their water resources functions and the statutory
15 requirements and authorities for those functions, including those
16 directing the department of ecology's enforcement activities and
17 authorizing the redirection of the use of department of ecology funding
18 and resources. Based on its review, the task force shall identify
19 administrative policies and an organizational structure that it
20 believes would provide an efficient and effective water resources
21 program under current law. Once the task force has identified that
22 structure and those policies, the task force shall develop proposals
23 for and recommend several options for funding the state's water
24 resource programs, including both operating programs and capital costs
25 for water program implementation. The task force must report its
26 findings and its recommendations to the governor and the appropriate
27 committees of the legislature by December 15, 2004.

28 (a) The task force shall include representatives of each of the
29 following interests, selected by the associations representing those
30 interests:

31 (i) One representative from each of the following interests:
32 Agriculture, industry, environmental, fisheries, water utilities, and
33 power utilities;

34 (ii) One representative of cities and one representative of
35 counties;

36 (iii) Two representatives of Indian tribes, one from eastern
37 Washington and one from western Washington; and

1 (iv) Three representatives of the executive branch of state
2 government.

3 (b) The department of ecology shall invite a representative of the
4 United States bureau of reclamation to participate as a member of the
5 task force.

6 (10) \$436,000 of the state toxics control account--state
7 appropriation is provided solely to: (a) Implement the mercury
8 chemical action plan; (b) fund rulemaking to select future chemicals
9 for action plans; and (c) provide ongoing funding for the development
10 and implementation of future chemical action plans.

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

15 (12) \$400,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely to pursue resolution of federal and tribal
17 rights to water in Washington state consistent with comprehensive state
18 water resources planning under chapter 90.54 RCW. Of this amount,
19 \$200,000 is provided solely for mediation efforts with the Lummi Nation
20 and \$200,000 is provided solely for state participation in a federal
21 pilot process to determine and quantify the water rights of the Tulalip
22 Tribes.

23 (13) \$184,000 of the oil spill prevention account appropriation is
24 provided solely to implement Second Substitute House Bill No. 3112
25 (marine fuel facilities). If the bill is not enacted by June 30, 2004,
26 the amount provided in this subsection shall lapse.

27 (14) \$144,000 of the oil spill prevention account appropriation is
28 provided solely to implement Substitute House Bill No. 3020 (oil spill
29 management). If the bill is not enacted by June 30, 2004, the amount
30 provided in this subsection shall lapse.

31 (15) \$1,735,000 of the vehicle tire recycling account appropriation
32 is provided solely to implement Engrossed Substitute House Bill No.
33 3054 (restoring the vehicle tire fee). If the bill is not enacted by
34 June 30, 2004, the amount provided in this subsection shall lapse.

35 (16) \$102,000 of the state toxic control account--state
36 appropriation and \$102,000 of the state toxic control account--local
37 appropriation are provided solely to implement Engrossed Substitute

1 House Bill No. 2488 (electronic products). If the bill is not enacted
2 by June 30, 2004, the amounts provided in this subsection shall lapse.

3 (17) \$1,700,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for (a) establishing instream flows by
5 rule for main stem rivers and their key tributaries in the state under
6 chapters 90.22, 90.54, and 90.82 RCW using current departmental
7 policies, and for developing and adopting standards to be used in
8 establishing such instream flows by rule in the future; and (b) the
9 development and adoption of standards to be used by the department for
10 (i) evaluating the extent to which actions and activities taken in a
11 watershed will result in stream flows in the watershed that satisfy
12 instream flow requirements established by rule for the watershed,
13 whether such actions and activities are identified in the instream flow
14 portion of a watershed plan or detailed implementation plan developed
15 under chapter 90.82 RCW or RCW 90.54.040(1), (ii) measuring progress in
16 achieving stream flows that satisfy such instream flow requirements,
17 and (iii) dedicating departmental resources and taking actions under
18 existing departmental authorities to assist in achieving stream flows
19 that satisfy such instream flow requirements.

20 (18) \$2,500,000 of the general fund--state appropriation for fiscal
21 year 2004 is provided solely for a one-time payment to settle all
22 claims in a suit against the state in the *Envirotest v. Department of*
23 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.

24 (19) \$350,000 of the hazardous waste assistance account
25 appropriation is provided solely for rulemaking to require closure
26 plans, liability coverage, and financial assurances for hazardous waste
27 management facilities.

28 (20) \$312,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for three water master positions.

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

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

33	General Fund--State Appropriation (FY 2004)	((\$29,986,000))
34		<u>\$30,015,000</u>
35	General Fund--State Appropriation (FY 2005)	((\$29,976,000))
36		<u>\$30,034,000</u>
37	General Fund--Federal Appropriation	\$2,666,000

1 (4) \$234,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$234,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to implement priority
4 recommendations developed by the monitoring oversight committee as
5 directed by RCW 77.85.210. Within these funds, activity shall be
6 directed to improve monitoring oversight within watersheds, enhance
7 data coordination and access among recovery partners, and produce a
8 state watershed health report card.

9 (5) \$125,000 of the general fund--state appropriation for fiscal
10 year 2005 and \$125,000 of the general fund--private/local appropriation
11 are provided solely for implementation of a statewide biodiversity
12 conservation strategy.

13 (6) \$100,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely to implement Engrossed Substitute House
15 Bill No. 2275 (habitat conservation program). If the bill is not
16 enacted by June 30, 2004, the amount provided in this subsection shall
17 lapse.

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

20 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

21	General Fund--State Appropriation (FY 2004)	((\$923,000))
22		<u>\$934,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$960,000))
24		<u>\$998,000</u>
25	TOTAL APPROPRIATION	((\$1,883,000))
26		<u>\$1,932,000</u>

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

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

35 **FOR THE CONSERVATION COMMISSION**

36	General Fund--State Appropriation (FY 2004)	\$2,234,000
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1	General Fund--State Appropriation (FY 2005)	\$2,245,000
2	Water Quality Account--State Appropriation	((\$2,162,000))
3		<u>\$2,412,000</u>
4	TOTAL APPROPRIATION	((\$6,641,000))
5		<u>\$6,891,000</u>

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

8 (1) \$247,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$247,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the implementation of the
11 Puget Sound work plan and agency action item CC-01.

12 (2) \$118,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$121,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to implement Engrossed Second
15 Substitute House Bill No. 1418 (drainage infrastructure), chapter 391,
16 Laws of 2003.

17 (3) \$250,000 of the water quality account--state appropriation is
18 provided solely for grants to conservation districts. Grants shall
19 provide for education, outreach, and technical assistance programs to
20 assist owners and operators of concentrated animal feeding operations
21 with compliance issues related to federal concentrated animal feeding
22 operations requirements and the department of agriculture's livestock
23 nutrient management program.

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

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

27	General Fund--State Appropriation (FY 2004)	((\$41,453,000))
28		<u>\$41,600,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$40,179,000))
30		<u>\$40,494,000</u>
31	General Fund--Federal Appropriation	((\$31,632,000))
32		<u>\$40,316,000</u>
33	General Fund--Private/Local Appropriation	((\$24,300,000))
34		<u>\$29,420,000</u>
35	Off Road Vehicle Account--State	
36	Appropriation	\$501,000
37	Aquatic Lands Enhancement Account--State	

1	Appropriation	\$5,620,000
2	Public Safety and Education Account--State	
3	Appropriation	\$562,000
4	Recreational Fisheries Enhancement Account--	
5	State Appropriation	((\$3,392,000))
6		<u>\$3,467,000</u>
7	Warm Water Game Fish Account--State	
8	Appropriation	\$2,568,000
9	Eastern Washington Pheasant Enhancement Account--	
10	State Appropriation	\$750,000
11	Wildlife Account--State Appropriation	((\$57,138,000))
12		<u>\$58,922,000</u>
13	Wildlife Account--Federal Appropriation	((\$38,216,000))
14		<u>\$29,532,000</u>
15	Wildlife Account--Private/Local	
16	Appropriation	((\$15,158,000))
17		<u>\$10,038,000</u>
18	((Game)) Special Wildlife Account--State	
19	Appropriation	((\$1,949,000))
20		<u>\$1,968,000</u>
21	((Game)) Special Wildlife Account--Federal	
22	Appropriation	((\$9,598,000))
23		<u>\$8,720,000</u>
24	((Game)) Special Wildlife Account--Private/Local	
25	Appropriation	\$350,000
26	Environmental Excellence Account--State	
27	Appropriation	\$15,000
28	Regional Fisheries Salmonid Recovery Account--	
29	Federal Appropriation	\$1,750,000
30	Oil Spill Prevention Account--State	
31	Appropriation	\$981,000
32	Oyster Reserve Land Account--State	
33	Appropriation	\$137,000
34	TOTAL APPROPRIATION	((\$276,249,000))
35		<u>\$277,711,000</u>

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

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

6 (2) \$225,000 of the general fund--state appropriation for fiscal
7 year 2004, \$225,000 of the general fund--state appropriation for fiscal
8 year 2005, and \$550,000 of the wildlife account--state appropriation
9 are provided solely for the implementation of hatchery reform
10 recommendations defined by the hatchery scientific review group.

11 (3) (~~(\$850,000)~~) \$1,016,000 of the wildlife account--state
12 appropriation is provided solely for stewardship and maintenance needs
13 on agency-owned lands and water access sites.

14 (4) \$900,000 of the wildlife fund--state appropriation is provided
15 solely for wetland restoration activities for migratory waterfowl by
16 providing landowner incentives to create or maintain waterfowl habitat
17 and management activities.

18 (5) \$2,000,000 of the aquatic lands enhancement account
19 appropriation is provided for cooperative volunteer projects.

20 (6) The department shall support the activities of the aquatic
21 nuisance species coordination committee to foster state, federal,
22 tribal, and private cooperation on aquatic nuisance species issues.
23 The committee shall strive to prevent the introduction of nonnative
24 aquatic species and to minimize the spread of species that are
25 introduced.

26 (7) The department shall develop and implement an activity-based
27 costing system. The system shall be operational no later than January
28 1, 2004.

29 (8) \$400,000 of the wildlife account--state appropriation is
30 provided solely to implement the department's information systems
31 strategic plan to include continued implementation of a personal
32 computer leasing plan, an upgrade of computer back-up systems, systems
33 architecture assessment, and network security analysis.

34 (9) Within funds provided, the department shall make available
35 enforcement and biological staff to respond and take appropriate action
36 to ensure public safety in response to public complaints regarding bear
37 and cougar.

1 (10) \$43,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$42,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for staffing and operation of the
4 Tennant Lake interpretive center.

5 (11) \$80,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$77,000 of the general fund--state appropriation for
7 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) \$25,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$25,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely to implement Engrossed Second
13 Substitute House Bill No. 1338 (municipal water rights). If the bill
14 is not enacted by June 30, 2003, the amounts provided in this
15 subsection shall lapse.

16 (13) \$110,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$110,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for economic adjustment assistance
19 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

20 (14) The department shall emphasize enforcement of laws related to
21 protection of fish habitat and the illegal harvest of salmon and
22 steelhead. Within the amount provided for the agency, the department
23 shall provide support to the department of health to enforce state
24 shellfish harvest laws.

25 (15) \$75,000 of the recreational fisheries enhancement account and
26 \$75,000 of the state wildlife account--state appropriation are provided
27 solely to implement additional selective recreational fisheries to
28 include one additional fishery each in eastern and western Washington.
29 The department shall determine the eastern Washington fishery, and the
30 western Washington fishery shall be for Lake Washington sockeye.

31 (16) \$60,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for implementation of Substitute House
33 Bill No. 2920 (special economic recreational fisheries). If the bill
34 is not enacted by June 30, 2004, the amount provided in this subsection
35 shall lapse.

36 (17) \$16,000 of the wildlife account--state appropriation is
37 provided solely for implementation of Substitute House Bill No. 2621

1 (razor clam license). If the bill is not enacted by June 30, 2004, the
2 amount provided in this subsection shall lapse.

3 (18) \$417,000 of the wildlife account--state appropriation is
4 provided solely to implement Substitute House Bill No. 2431 (Dungeness
5 crab card). If the bill is not enacted by June 30, 2004, the amount
6 provided in this subsection shall lapse.

7 (19) \$112,000 of the general fund--state appropriation for fiscal
8 year 2005 is provided solely to buy back purse seine fishing licenses.

9 (20) \$180,000 of the wildlife account--state appropriation is
10 provided solely to test deer and elk for chronic wasting disease and to
11 document the extent of swan lead poisoning. Of this amount, \$65,000 is
12 provided solely to document the extent of swan lead poisoning and to
13 begin environmental cleanup.

14 (21) \$122,000 of the wildlife account--state appropriation is
15 provided solely to reimburse the department of natural resources for
16 fire suppression costs incurred on department of fish and wildlife
17 lands.

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

20 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

21	General Fund--State Appropriation (FY 2004)	((\$30,307,000))
22		<u>\$54,329,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$34,233,000))
24		<u>\$35,196,000</u>
25	General Fund--Federal Appropriation	((\$3,809,000))
26		<u>\$5,116,000</u>
27	General Fund--Private/Local Appropriation	\$2,482,000
28	Forest Development Account--State	
29	Appropriation	((\$52,060,000))
30		<u>\$52,210,000</u>
31	Off Road Vehicle Account--State	
32	Appropriation	((\$4,028,000))
33		<u>\$4,029,000</u>
34	Surveys and Maps Account--State	
35	Appropriation	((\$2,760,000))
36		<u>\$2,761,000</u>
37	Aquatic Lands Enhancement Account--State	

1	Appropriation	((\$6,884,000))
2		<u>\$6,925,000</u>
3	Resources Management Cost Account--State	
4	Appropriation	((\$70,391,000))
5		<u>\$70,618,000</u>
6	Surface Mining Reclamation Account--State	
7	Appropriation	\$2,293,000
8	Disaster Response Account--State Appropriation	\$7,200,000
9	Water Quality Account--State Appropriation	\$2,479,000
10	Aquatic Land Dredged Material Disposal Site	
11	Account--State Appropriation	\$1,311,000
12	Natural Resource Conservation Areas Stewardship	
13	Account Appropriation	\$83,000
14	Air Pollution Control Account--State	
15	Appropriation	\$526,000
16	Agricultural College Trust Management Account	
17	Appropriation	((\$1,868,000))
18		<u>\$1,872,000</u>
19	Derelict Vessel Removal Account--State	
20	Appropriation	\$1,130,000
21	TOTAL APPROPRIATION	((\$223,844,000))
22		<u>\$250,560,000</u>

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

25 (1) \$18,000 of the general fund--state appropriation for fiscal
26 year 2004, \$18,000 of the general fund--state appropriation for fiscal
27 year 2005, and \$1,006,950 of the aquatic lands enhancement account
28 appropriation are provided solely for the implementation of the Puget
29 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

30 (2) \$908,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$910,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for deposit into the agricultural
33 college trust management account and are provided solely to manage
34 approximately 70,700 acres of Washington State University's
35 agricultural college trust lands.

36 (3) ((~~\$1,158,000~~)) \$24,674,000 of the general fund--state
37 appropriation for fiscal year 2004, \$8,358,000 of the general fund--
38 state appropriation for fiscal year 2005, and \$7,200,000 of the

1 disaster response account--state appropriation are provided solely for
2 emergency fire suppression. One-time funding is provided for incurred
3 and anticipated emergency fire suppression costs during fiscal year
4 2004, in excess of the department's existing fire suppression
5 appropriations. Funding provided in this subsection shall not be
6 allocated to cover any portion of agency indirect and administrative
7 expenses.

8 (4) \$582,000 of the aquatic lands enhancement account appropriation
9 is provided solely for spartina control.

10 (5) Fees approved by the board of natural resources in the 2003-05
11 biennium are authorized to exceed the fiscal growth factor under RCW
12 43.135.055.

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

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

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

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

34 (10) The department of natural resources shall provide a report to
35 the appropriate committees of the legislature, the office of financial
36 management, and the board of natural resources concerning the costs and
37 effectiveness of the contract harvesting program as authorized by

1 Second Substitute Senate Bill No. 5074 (contract harvesting), chapter
2 313, Laws of 2003. The report shall be submitted by December 31, 2006,
3 and shall include the following information:

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

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

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

13 (11) \$208,000 of the general fund--state appropriation of fiscal
14 year 2004 and \$70,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to implement Second Substitute
16 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
17 2003.

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

22 (13) \$4,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$4,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely to compensate the forest board
25 trust for a portion of the lease to the Crescent television improvement
26 district consistent with RCW 79.12.055.

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

1 investment from the land acquisition provided in this subsection, the
2 department shall seek reimbursement from the federal government.

3 (15) \$265,000 of the aquatic lands enhancement account
4 appropriation is provided solely for developing a pilot project to
5 study the feasibility of geoduck aquaculture on both intertidal and
6 subtidal lands in the state of Washington.

7 (16) \$60,000 of the general fund--state appropriation for fiscal
8 year 2004 is provided solely for habitat restoration work in the Loomis
9 natural resource area.

10 (17) \$440,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$500,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for legal defense costs in *Pacific*
13 *Sound Resources v. Burlington Northern Santa Fe Railroad et al.*

14 (18) \$450,000 of the general fund--state appropriation for fiscal
15 year 2005 is provided solely to maintain department-managed trails,
16 campsites, and other areas or lands that are open for public use. The
17 department shall ensure that these sites will remain open and operating
18 at their current level of service.

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

25 (20) \$87,000 of the forest development account--state
26 appropriation, \$87,000 of the resources management cost account--state
27 appropriation, and \$4,000 of the agricultural college trust management
28 account--state appropriation are provided solely for implementation of
29 Engrossed Substitute House Bill No. 2753 (state-owned forest land). If
30 the bill is not enacted by June 30, 2004, the amounts provided in this
31 subsection shall lapse.

32 (21) \$40,000 of the aquatic lands enhancement account appropriation
33 is provided solely for the department to (a) calculate the rent for
34 DNR-leased marinas based on a percentage of a marina's income and (b)
35 recommend an appropriate formula to the 2005 legislature.

36 **Sec. 308.** 2003 1st sp.s. c 25 s 309 (uncodified) is amended to
37 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>\$11,491,000</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>\$35,969,000</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, and for the small
9 farm and direct marketing program.

10 (8) \$85,000 of the aquatic lands enhancement account appropriation
11 is provided solely for spartina eradication efforts in Willapa Bay and
12 Grays Harbor.

13 (9) \$330,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely to contract with Washington State
15 University for research and development activities related to asparagus
16 harvesting and automation technology.

17 (10) \$3,000,000 of the general fund--state appropriation for fiscal
18 year 2005 is provided solely for the purchase of agricultural products
19 packing equipment. The department shall negotiate an appropriate
20 agreement with the agricultural industry for the use of the equipment.

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

23 **FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**
 24 Pollution Liability Insurance Program Trust Account--
 25 State Appropriation ((~~\$984,000~~))
 26 \$808,000

(End of part)

PART IV
TRANSPORTATION

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

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2004)	((\$4,986,000))
	<u>\$5,085,000</u>
General Fund--State Appropriation (FY 2005)	((\$4,988,000))
	<u>\$4,978,000</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>\$8,922,000</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>\$1,041,000</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 intent of this appropriation to provide these services only to those
2 districts that are located in counties without qualified review
3 capabilities.

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

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

(End of part)

PART V
EDUCATION

Sec. 501. 2003 1st sp.s. c 25 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	((\$11,772,000))
	<u>\$11,615,000</u>
General Fund--State Appropriation (FY 2005)	((\$11,761,000))
	<u>\$11,960,000</u>
General Fund--Federal Appropriation	((\$15,921,000))
	<u>\$26,968,000</u>
TOTAL APPROPRIATION	((\$39,454,000))
	<u>\$50,543,000</u>

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

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

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

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

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

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

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

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

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

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

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

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

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

8 (2) STATEWIDE PROGRAMS

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

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

19 (a) HEALTH AND SAFETY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (b) TECHNOLOGY

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

35 (c) GRANTS AND ALLOCATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22	General Fund--State Appropriation (FY 2004)	((\$3,969,407,000))
23		<u>\$3,976,507,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$3,977,209,000))
25		<u>\$3,988,248,000</u>
26	TOTAL APPROPRIATION	((\$7,946,616,000))
27		<u>\$7,964,755,000</u>

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

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

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

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

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

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

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

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

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

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

35 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
36 excess of the amount required to maintain the statutory minimum ratio
37 established under RCW 28A.150.260(2)(b) shall be allocated only if the
38 district documents an actual ratio in grades K-4 equal to or greater

1 than 54.0 certificated instructional staff per thousand full-time
2 equivalent students in the 2003-04 school year and 53.2 certificated
3 instructional staff per thousand full-time equivalent students in the
4 2004-05 school year. For any school district documenting a lower
5 certificated instructional staff ratio, the allocation shall be based
6 on the district's actual grades K-4 certificated instructional staff
7 ratio achieved in that school year, or the statutory minimum ratio
8 established under RCW 28A.150.260(2)(b), if greater;

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

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

35 (b) For school districts with a minimum enrollment of 250 full-time
36 equivalent students whose full-time equivalent student enrollment count
37 in a given month exceeds the first of the month full-time equivalent
38 enrollment count by 5 percent, an additional state allocation of 110

1 percent of the share that such increased enrollment would have
2 generated had such additional full-time equivalent students been
3 included in the normal enrollment count for that particular month;

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (ii) For all other small high schools under this subsection, nine
23 certificated instructional staff units and one-half of a certificated
24 administrative staff unit for the first sixty average annual full time
25 equivalent students, and additional staff units based on a ratio of
26 0.8732 certificated instructional staff units and 0.1268 certificated
27 administrative staff units per each additional forty-three and one-half
28 average annual full time equivalent students.

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

33 (g) For each nonhigh school district having an enrollment of more
34 than seventy annual average full-time equivalent students and less than
35 one hundred eighty students, operating a grades K-8 program or a grades
36 1-8 program, an additional one-half of a certificated instructional
37 staff unit; and

1 (h) For each nonhigh school district having an enrollment of more
2 than fifty annual average full-time equivalent students and less than
3 one hundred eighty students, operating a grades K-6 program or a grades
4 1-6 program, an additional one-half of a certificated instructional
5 staff unit.

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

9 (a) For enrollments generating certificated staff unit allocations
10 under subsection (2)(d) through (h) of this section, one classified
11 staff unit for each three certificated staff units allocated under such
12 subsections;

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

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

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

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

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

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

1 (6)(a) For nonemployee-related costs associated with each
2 certificated staff unit allocated under subsection (2)(a), (b), and (d)
3 through (h) of this section, there shall be provided a maximum of
4 \$8,785 per certificated staff unit in the 2003-04 school year and a
5 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05
6 school year.

7 (b) For nonemployee-related costs associated with each vocational
8 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
9 section, there shall be provided a maximum of \$21,573 per certificated
10 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)
11 \$21,746 per certificated staff unit in the 2004-05 school year.

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

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

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

36 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
37 \$6,385,000 outside the basic education formula during fiscal years 2004
38 and 2005 as follows:

1 (a) For fire protection for school districts located in a fire
2 protection district as now or hereafter established pursuant to chapter
3 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
4 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year
5 2005;

6 (b) For summer vocational programs at skills centers, a maximum of
7 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
8 \$2,035,000 for the 2005 fiscal year;

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

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

17 (10) For purposes of RCW 84.52.0531, the increase per full-time
18 equivalent student is 3.4 percent from the 2002-03 school year to the
19 2003-04 school year and 2.5 percent from the 2003-04 school year to the
20 2004-05 school year.

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

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

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

35 (~~(12) \$159,000 of the general fund state appropriation for fiscal~~
36 ~~year 2004 and \$1,181,000 of the general fund state appropriation for~~
37 ~~fiscal year 2005 are provided solely for the implementation of~~

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

4 **Sec. 503.** 2003 1st sp.s. c 25 s 504 (uncodified) is amended to
5 read as follows:

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
7 **COMPENSATION ADJUSTMENTS**

8	General Fund--State Appropriation (FY 2004)	((\$28,511,000))
9		<u>\$28,604,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$116,670,000))
11		<u>\$141,659,000</u>
12	General Fund--Federal Appropriation	((\$559,000))
13		<u>\$674,000</u>
14	TOTAL APPROPRIATION	((\$145,740,000))
15		<u>\$170,937,000</u>

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

18 (1) ((~~\$8,913,000~~)) \$8,944,000 of the general fund--state
19 appropriation for fiscal year 2004 and ((~~\$20,238,000~~)) \$20,343,000 of
20 the general fund--state appropriation for fiscal year 2005 are provided
21 solely to provide a salary adjustment for state formula certificated
22 instructional staff units in their first seven years of service.
23 Consistent with the statewide certificated instructional staff salary
24 allocation schedule in section 503 of this act, sufficient funding is
25 provided to increase the salary of certificated instructional staff
26 units in the 2003-04 school year and the 2004-05 school year by the
27 following percentages: Three percent for certificated instructional
28 staff in their first and second years of service; two and one-half
29 percent for certificated instructional staff in their third year of
30 service; one and one-half percent for certificated instructional staff
31 in their fourth year of service; one percent for certificated
32 instructional staff in their fifth year of service; and one-half of a
33 percent for certificated instructional staff in their sixth and seventh
34 years of service. These increases will take effect September 1, 2003
35 and September 1, 2004.

36 (a) In order to receive funding provided in this subsection, school
37 districts shall certify to the office of superintendent of public

1 instruction that they will provide the percentage increases in the
 2 amounts specified in this subsection. In cases where a school district
 3 providing the increases in the amounts specified in this subsection
 4 would cause that school district to be out of compliance with RCW
 5 28A.400.200, they may provide salary increases in different amounts but
 6 only to the extent necessary to come into compliance with RCW
 7 28A.400.200. Funds provided in this subsection shall be used
 8 exclusively for providing the percentage increases specified in this
 9 subsection to the certificated staff units in their first seven years
 10 of service and shall not be used to supplant any other state or local
 11 funding for compensation for these staff.

12 (b) The appropriations include associated incremental fringe
 13 benefit allocations at rates of 9.04 percent for school year 2003-04
 14 and (~~(9.04)~~) 9.05 percent for school year 2004-05 for certificated
 15 staff. Increases for general apportionment (basic education) are based
 16 on the salary allocation schedules and methodology in sections 502 and
 17 503 of this act. Increases for special education result from increases
 18 in each district's basic education allocation per student. Increases
 19 for educational service districts and institutional education programs
 20 are determined by the superintendent of public instruction using the
 21 methodology for general apportionment salaries and benefits in sections
 22 502 and 503 of this act.

23 (2) The appropriations in this section provide salary adjustments
 24 and incremental fringe benefit allocations based on formula adjustments
 25 as follows:

	School Year	
	2003-04	2004-05
28 Highly Capable (per formula student)	\$0.93	\$1.89
29 Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
30 Learning Assistance (per entitlement unit)	\$0.69	\$1.40

31 (3) (~~(\$116,483,000)~~) \$140,976,000 is provided for adjustments to
 32 insurance benefit allocations. The maintenance rate for insurance
 33 benefit allocations is \$457.07 per month for the 2003-04 and 2004-05
 34 school years. The appropriations in this section provide for a rate
 35 increase to \$481.31 per month for the 2003-04 school year and

1 ((~~\$570.74~~)) \$600.85 per month for the 2004-05 school year at the
2 following rates:

	School Year	
	2003-04	2004-05
3 Pupil Transportation (per weighted pupil mile)	\$0.22	((1.03)) <u>\$1.31</u>
4 Highly Capable (per formula student)	\$1.52	((7.00)) <u>\$8.85</u>
5 Transitional Bilingual Education (per eligible bilingual student)	\$3.92	((18.40)) <u>\$23.28</u>
6 Learning Assistance (per entitlement unit)	\$3.08	((14.46)) <u>\$18.29</u>

7 (4) The rates specified in this section are subject to revision
8 each year by the legislature.

9 **Sec. 504.** 2003 1st sp.s. c 25 s 505 (uncodified) is amended to
10 read as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

12 General Fund--State Appropriation (FY 2004)	((201,638,000))
	<u>\$215,454,000</u>
13 General Fund--State Appropriation (FY 2005)	((210,279,000))
	<u>\$219,899,000</u>
14 TOTAL APPROPRIATION	((411,917,000))
	<u>\$435,353,000</u>

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

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

20 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
21 and a maximum of ~~((782,000))~~ \$774,000 of the fiscal year 2005
22 appropriation may be expended for regional transportation coordinators
23 and related activities. The transportation coordinators shall ensure
24 that data submitted by school districts for state transportation
25 funding shall, to the greatest extent practical, reflect the actual
26 transportation activity of each district.

27 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
28 fiscal year 2005 appropriation are provided solely for the
29 transportation of students enrolled in "choice" programs.

1 Transportation shall be limited to low-income students who are
2 transferring to "choice" programs solely for educational reasons.

3 (4) Allocations for transportation of students shall be based on
4 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school
5 year and ~~(((\$39.43))~~ \$39.30 per weighted mile in the 2004-05 school year
6 exclusive of salary and benefit adjustments provided in section 504 of
7 this act. Allocations for transportation of students transported more
8 than one radius mile shall be based on weighted miles as determined by
9 superintendent of public instruction multiplied by the per mile
10 reimbursement rates for the school year pursuant to the formulas
11 adopted by the superintendent of public instruction. Allocations for
12 transportation of students living within one radius mile shall be based
13 on the number of enrolled students in grades kindergarten through five
14 living within one radius mile of their assigned school multiplied by
15 the per mile reimbursement rate for the school year multiplied by 1.29.

16 ~~((5) Beginning with busses purchased on or after July 1, 2003, the
17 office of superintendent of public instruction shall provide
18 reimbursement funding to a school district only after the
19 superintendent of public instruction determines that the school bus was
20 purchased from the list established pursuant to RCW 28A.160.195(2) or
21 a comparable competitive bid process based on the lowest price quote
22 based on similar bus categories to those used to establish the list
23 pursuant to RCW 28A.160.195. The competitive specifications shall meet
24 federal motor vehicle safety standards, minimum state specifications as
25 established by rule by the superintendent, and supported options as
26 determined by the superintendent in consultation with the regional
27 transportation coordinators of the educational service districts.))~~

28 **Sec. 505.** 2003 1st sp.s. c 25 s 506 (uncodified) is amended to
29 read as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
31 **PROGRAMS**

32	General Fund--State Appropriation (FY 2004)	\$3,100,000
33	General Fund--State Appropriation (FY 2005)	\$3,100,000
34	General Fund--Federal Appropriation	(((\$272,069,000))
35		<u>\$252,128,000</u>
36	TOTAL APPROPRIATION	(((\$278,269,000))
37		<u>\$258,328,000</u>

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

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

7 (2) \$100,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
9 provided for summer food programs for children in low-income areas.

10 **Sec. 506.** 2003 1st sp.s. c 25 s 507 (uncodified) is amended to
11 read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
13 **PROGRAMS**

14	General Fund--State Appropriation (FY 2004)	((\$433,984,000))
15		<u>\$435,061,000</u>
16	General Fund--State Appropriation (FY 2005)	((\$427,214,000))
17		<u>\$427,763,000</u>
18	General Fund--Federal Appropriation	((\$409,637,000))
19		<u>\$425,489,000</u>
20	TOTAL APPROPRIATION	((\$1,270,835,000))
21		<u>\$1,288,313,000</u>

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

24 (1) Funding for special education programs is provided on an excess
25 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
26 that special education students as a class receive their full share of
27 the general apportionment allocation accruing through sections 502 and
28 504 of this act. To the extent a school district cannot provide an
29 appropriate education for special education students under chapter
30 28A.155 RCW through the general apportionment allocation, it shall
31 provide services through the special education excess cost allocation
32 funded in this section.

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

37 (i) Special education students are basic education students first;

1 (ii) As a class, special education students are entitled to the
2 full basic education allocation; and

3 (iii) Special education students are basic education students for
4 the entire school day.

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

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

11 (4) The superintendent of public instruction shall distribute state
12 and federal funds to school districts based on two categories: The
13 optional birth through age two program for special education eligible
14 developmentally delayed infants and toddlers, and the mandatory special
15 education program for special education eligible students ages three to
16 twenty-one. A "special education eligible student" means a student
17 receiving specially designed instruction in accordance with a properly
18 formulated individualized education program.

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

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

25 (ii) A district's annual average full-time equivalent basic
26 education enrollment multiplied by the funded enrollment percent
27 determined pursuant to subsection (6)(b) of this section, multiplied by
28 the district's average basic education allocation per full-time
29 equivalent student multiplied by 0.9309.

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

34 (6) The definitions in this subsection apply throughout this
35 section.

36 (a) "Annual average full-time equivalent basic education
37 enrollment" means the resident enrollment including students enrolled
38 through choice (RCW 28A.225.225) and students from nonhigh districts

1 (RCW 28A.225.210) and excluding students residing in another district
2 enrolled as part of an interdistrict cooperative program (RCW
3 28A.225.250).

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

8 Each district's general fund--state funded special education
9 enrollment shall be the lesser of the district's actual enrollment
10 percent or 12.7 percent. Increases in enrollment percent from 12.7
11 percent to 13.0 percent shall be funded from the general fund--federal
12 appropriation.

13 (7) At the request of any interdistrict cooperative of at least 15
14 districts in which all excess cost services for special education
15 students of the districts are provided by the cooperative, the maximum
16 enrollment percent shall be calculated in accordance with subsection
17 (6)(b) of this section, and shall be calculated in the aggregate rather
18 than individual district units. For purposes of this subsection, the
19 average basic education allocation per full-time equivalent student
20 shall be calculated in the aggregate rather than individual district
21 units.

22 (8) To the extent necessary, \$25,746,000 of the general fund--
23 federal appropriation is provided for safety net awards for districts
24 with demonstrated needs for state special education funding beyond the
25 amounts provided in subsection (5) of this section. If safety net
26 awards exceed the amount appropriated in this subsection (8), the
27 superintendent shall expend all available federal discretionary funds
28 necessary to meet this need. Safety net funds shall be awarded by the
29 state safety net oversight committee subject to the following
30 conditions and limitations:

31 (a) The committee shall consider unmet needs for districts that can
32 convincingly demonstrate that all legitimate expenditures for special
33 education exceed all available revenues from state funding formulas.
34 In the determination of need, the committee shall also consider
35 additional available revenues from federal and local sources.
36 Differences in program costs attributable to district philosophy,
37 service delivery choice, or accounting practices are not a legitimate
38 basis for safety net awards.

1 (b) The committee shall then consider the extraordinary high cost
2 needs of one or more individual special education students.
3 Differences in costs attributable to district philosophy, service
4 delivery choice, or accounting practices are not a legitimate basis for
5 safety net awards.

6 (c) The maximum allowable indirect cost for calculating safety net
7 eligibility may not exceed the federal restricted indirect cost rate
8 for the district plus one percent.

9 (d) Safety net awards shall be adjusted based on the percent of
10 potential medicaid eligible students billed as calculated by the
11 superintendent in accordance with chapter 318, Laws of 1999.

12 (e) Safety net awards must be adjusted for any audit findings or
13 exceptions related to special education funding.

14 (9) The superintendent of public instruction may adopt such rules
15 and procedures as are necessary to administer the special education
16 funding and safety net award process. Prior to revising any standards,
17 procedures, or rules, the superintendent shall consult with the office
18 of financial management and the fiscal committees of the legislature.

19 (10) The safety net oversight committee appointed by the
20 superintendent of public instruction shall consist of:

21 (a) One staff from the office of superintendent of public
22 instruction;

23 (b) Staff of the office of the state auditor; and

24 (c) One or more representatives from school districts or
25 educational service districts knowledgeable of special education
26 programs and funding.

27 (11) A maximum of \$678,000 may be expended from the general fund--
28 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
29 full-time equivalent aides at children's orthopedic hospital and
30 medical center. This amount is in lieu of money provided through the
31 home and hospital allocation and the special education program.

32 (12) \$1,000,000 of the general fund--federal appropriation is
33 provided for projects to provide special education students with
34 appropriate job and independent living skills, including work
35 experience where possible, to facilitate their successful transition
36 out of the public school system. The funds provided by this subsection
37 shall be from federal discretionary grants.

1 (13) The superintendent shall maintain the percentage of federal
2 flow-through to school districts at 85 percent. In addition to other
3 purposes, school districts may use increased federal funds for high-
4 cost students, for purchasing regional special education services from
5 educational service districts, and for staff development activities
6 particularly relating to inclusion issues.

7 (14) A maximum of \$1,200,000 of the general fund--federal
8 appropriation may be expended by the superintendent for projects
9 related to use of inclusion strategies by school districts for
10 provision of special education services. The superintendent shall
11 prepare an information database on laws, best practices, examples of
12 programs, and recommended resources. The information may be
13 disseminated in a variety of ways, including workshops and other staff
14 development activities.

15 (15) A school district may carry over from one year to the next
16 year up to 10 percent of general fund--state funds allocated under this
17 program; however, carry over funds shall be expended in the special
18 education program.

19 **Sec. 507.** 2003 1st sp.s. c 25 s 508 (uncodified) is amended to
20 read as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
22 **DISTRICTS**

23	General Fund--State Appropriation (FY 2004)	\$3,538,000
24	General Fund--State Appropriation (FY 2005)	(\$3,537,000)
25		<u>\$3,538,000</u>
26	TOTAL APPROPRIATION	(\$7,075,000)
27		<u>\$7,076,000</u>

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

30 (1) The educational service districts shall continue to furnish
31 financial services required by the superintendent of public instruction
32 and RCW 28A.310.190 (3) and (4).

33 (2) The educational service districts, at the request of the state
34 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
35 receive and screen applications for school accreditation, conduct
36 school accreditation site visits pursuant to state board of education
37 rules, and submit to the state board of education post-site visit

1 recommendations for school accreditation. The educational service
2 districts may assess a cooperative service fee to recover actual plus
3 reasonable indirect costs for the purposes of this subsection.

4 **Sec. 508.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to
5 read as follows:

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
7 **ASSISTANCE**

8	General Fund--State Appropriation (FY 2004)	((\$162,236,000))
9		<u>\$163,049,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$167,073,000))
11		<u>\$161,945,000</u>
12	TOTAL APPROPRIATION	((\$329,309,000))
13		<u>\$324,994,000</u>

14 **Sec. 509.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to
15 read as follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
17 **EDUCATION PROGRAMS**

18	General Fund--State Appropriation (FY 2004)	((\$18,596,000))
19		<u>\$18,207,000</u>
20	General Fund--State Appropriation (FY 2005)	((\$19,092,000))
21		<u>\$18,176,000</u>
22	TOTAL APPROPRIATION	((\$37,688,000))
23		<u>\$36,383,000</u>

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

26 (1) Each general fund--state fiscal year appropriation includes
27 such funds as are necessary to complete the school year ending in the
28 fiscal year and for prior fiscal year adjustments.

29 (2) State funding provided under this section is based on salaries
30 and other expenditures for a 220-day school year. The superintendent
31 of public instruction shall monitor school district expenditure plans
32 for institutional education programs to ensure that districts plan for
33 a full-time summer program.

34 (3) State funding for each institutional education program shall be
35 based on the institution's annual average full-time equivalent student

1 enrollment. Staffing ratios for each category of institution shall
2 remain the same as those funded in the 1995-97 biennium.

3 (4) The funded staffing ratios for education programs for juveniles
4 age 18 or less in department of corrections facilities shall be the
5 same as those provided in the 1997-99 biennium.

6 (5) (~~(\$279,000)~~) \$190,000 of the general fund--state appropriation
7 for fiscal year 2004 and (~~(\$286,000)~~) \$142,000 of the general fund--
8 state appropriation for fiscal year 2005 are provided solely to
9 maintain at least one certificated instructional staff and related
10 support services at an institution whenever the K-12 enrollment is not
11 sufficient to support one full-time equivalent certificated
12 instructional staff to furnish the educational program. The following
13 types of institutions are included: Residential programs under the
14 department of social and health services for developmentally disabled
15 juveniles, programs for juveniles under the department of corrections,
16 and programs for juveniles under the juvenile rehabilitation
17 administration.

18 (6) Ten percent of the funds allocated for each institution may be
19 carried over from one year to the next.

20 **Sec. 510.** 2003 1st sp.s. c 25 s 511 (uncodified) is amended to
21 read as follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
23 **CAPABLE STUDENTS**

24	General Fund--State Appropriation (FY 2004)	((\$6,597,000))
25		<u>\$6,620,000</u>
26	General Fund--State Appropriation (FY 2005)	((\$6,614,000))
27		<u>\$6,632,000</u>
28	TOTAL APPROPRIATION	((\$13,211,000))
29		<u>\$13,252,000</u>

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

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

35 (2) Allocations for school district programs for highly capable
36 students shall be distributed at a maximum rate of \$334.89 per funded
37 student for the 2003-04 school year and (~~(\$334.89)~~) \$334.91 per funded

1 student for the 2004-05 school year, exclusive of salary and benefit
2 adjustments pursuant to section 504 of this act. The number of funded
3 students shall be a maximum of two percent of each district's full-time
4 equivalent basic education enrollment.

5 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
6 the fiscal year 2005 appropriation are provided for the centrum program
7 at Fort Worden state park.

8 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
9 the fiscal year 2005 appropriation are provided for the Washington
10 destination imagination network and future problem-solving programs.

11 **Sec. 511.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to
12 read as follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
14 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
15 **THE NO CHILD LEFT BEHIND ACT**

16 General Fund--Federal Appropriation ((~~\$46,198,000~~))
17 \$42,817,000

18 **Sec. 512.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to
19 read as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
21 **PROGRAMS**

22 General Fund--State Appropriation (FY 2004) ((~~\$39,107,000~~))
23 \$38,292,000

24 General Fund--State Appropriation (FY 2005) ((~~\$36,501,000~~))
25 \$38,220,000

26 General Fund--Federal Appropriation ((~~\$128,402,000~~))
27 \$164,087,000

28 TOTAL APPROPRIATION ((~~\$204,010,000~~))
29 \$240,599,000

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

32 (1) \$310,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$310,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the academic achievement and
35 accountability commission.

1 (2) (~~(\$16,050,000)~~) \$15,486,000 of the general fund--state
2 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$13,414,000 of the
3 general fund--state appropriation for fiscal year 2005, and
4 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation
5 are provided solely for development and implementation of the
6 Washington assessments of student learning(~~(. Of the general fund--~~
7 ~~state amounts provided:~~

8 ~~(a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005~~
9 ~~are for providing high school students who are not successful in one or~~
10 ~~more content areas of the Washington assessment of student learning the~~
11 ~~opportunity to retake the test and \$75,000 of the fiscal year 2004~~
12 ~~appropriation is provided for developing alternative assessments as~~
13 ~~provided in Engrossed Substitute House Bill No. 2195 (state academic~~
14 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
15 ~~by June 30, 2003, the amounts in this subsection (a) shall lapse.~~

16 ~~(b) \$300,000 in fiscal year 2004 is for independent research on the~~
17 ~~alignment and technical review of the reading, writing, and science~~
18 ~~content areas of the Washington assessment of student learning, as~~
19 ~~provided by Engrossed Substitute House Bill No. 2195 (state academic~~
20 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
21 ~~by June 30, 2003, the amount in this subsection (b) shall lapse))~~
22 (WASL), including development and implementation of retake assessments
23 for high school students who are not successful in one or more content
24 areas of the WASL, development of alternative assessments or appeals
25 procedures to implement the certificate of academic achievement, and
26 independent research on the alignment and technical review of reading,
27 writing, and science.

28 (3) \$548,000 of the fiscal year 2004 general fund--state
29 appropriation and \$548,000 of the fiscal year 2005 general fund--state
30 appropriation are provided solely for training of paraprofessional
31 classroom assistants and certificated staff who work with classroom
32 assistants as provided in RCW 28A.415.310.

33 (4) \$2,348,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$2,348,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for mentor teacher assistance,
36 including state support activities, under RCW 28A.415.250 and
37 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
38 this subsection may be used each fiscal year to operate a mentor

1 academy to help districts provide effective training for peer mentors.
2 Funds for the teacher assistance program shall be allocated to school
3 districts based on the number of first year beginning teachers.

4 (a) A teacher assistance program is a program that provides to a
5 first year beginning teacher peer mentor services that include but are
6 not limited to:

7 (i) An orientation process and individualized assistance to help
8 beginning teachers who have been hired prior to the start of the school
9 year prepare for the start of a school year;

10 (ii) The assignment of a peer mentor whose responsibilities to the
11 beginning teacher include but are not limited to constructive feedback,
12 the modeling of instructional strategies, and frequent meetings and
13 other forms of contact;

14 (iii) The provision by peer mentors of strategies, training, and
15 guidance in critical areas such as classroom management, student
16 discipline, curriculum management, instructional skill, assessment,
17 communication skills, and professional conduct. A district may provide
18 these components through a variety of means including one-on-one
19 contact and workshops offered by peer mentors to groups, including
20 cohort groups, of beginning teachers;

21 (iv) The provision of release time, substitutes, mentor training in
22 observation techniques, and other measures for both peer mentors and
23 beginning teachers, to allow each an adequate amount of time to observe
24 the other and to provide the classroom experience that each needs to
25 work together effectively;

26 (v) Assistance in the incorporation of the essential academic
27 learning requirements into instructional plans and in the development
28 of complex teaching strategies, including strategies to raise the
29 achievement of students with diverse learning styles and backgrounds;
30 and

31 (vi) Guidance and assistance in the development and implementation
32 of a professional growth plan. The plan shall include a professional
33 self-evaluation component and one or more informal performance
34 assessments. A peer mentor may not be involved in any evaluation under
35 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
36 assisted through this program.

37 (b) In addition to the services provided in (a) of this subsection,

1 an eligible peer mentor program shall include but is not limited to the
2 following components:

3 (i) Strong collaboration among the peer mentor, the beginning
4 teacher's principal, and the beginning teacher;

5 (ii) Stipends for peer mentors and, at the option of a district,
6 for beginning teachers. The stipends shall not be deemed compensation
7 for the purposes of salary lid compliance under RCW 28A.400.200 and are
8 not subject to the continuing contract provisions of Title 28A RCW; and

9 (iii) To the extent that resources are available for this purpose
10 and that assistance to beginning teachers is not adversely impacted,
11 the program may serve second year and more experienced teachers who
12 request the assistance of peer mentors.

13 (5) \$1,959,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$1,959,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for improving technology
16 infrastructure, monitoring and reporting on school district technology
17 development, promoting standards for school district technology,
18 promoting statewide coordination and planning for technology
19 development, and providing regional educational technology support
20 centers, including state support activities, under chapter 28A.650 RCW.
21 The superintendent of public instruction shall coordinate a process to
22 facilitate the evaluation and provision of online curriculum courses to
23 school districts which includes the following: Creation of a general
24 listing of the types of available online curriculum courses; a survey
25 conducted by each regional educational technology support center of
26 school districts in its region regarding the types of online curriculum
27 courses desired by school districts; a process to evaluate and
28 recommend to school districts the best online courses in terms of
29 curriculum, student performance, and cost; and assistance to school
30 districts in procuring and providing the courses to students.

31 (6) \$3,594,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$3,594,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for grants to school districts to
34 provide a continuum of care for children and families to help children
35 become ready to learn. Grant proposals from school districts shall
36 contain local plans designed collaboratively with community service
37 providers. If a continuum of care program exists in the area in which

1 the school district is located, the local plan shall provide for
2 coordination with existing programs to the greatest extent possible.
3 Grant funds shall be allocated pursuant to RCW 70.190.040.

4 (7) \$2,500,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,500,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the meals for kids program
7 under RCW 28A.235.145 through 28A.235.155. In fiscal year 2005, funds
8 provided in this subsection shall also be used to implement House Bill
9 No. 2769 (reducing hunger) by providing school districts with grants
10 for equipment and start-up costs for new meal programs resulting from
11 the enactment of the bill.

12 (8) An additional \$11,000 of the general fund--state appropriation
13 for fiscal year 2005 is provided solely for grants to school districts
14 to implement Engrossed Second Substitute House Bill No. 2769 (reducing
15 hunger). If Engrossed Second Substitute House Bill No. 2769 is not
16 enacted by June 30, 2004, the amount provided in this subsection shall
17 lapse.

18 (9) \$705,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$705,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the leadership internship
21 program for superintendents, principals, and program administrators.

22 ((+9+)) (10) A maximum of \$250,000 of the general fund--state
23 appropriation for fiscal year 2004 and a maximum of \$250,000 of the
24 general fund-- state appropriation for fiscal year 2005 are provided
25 for summer accountability institutes offered by the superintendent of
26 public instruction and the academic achievement and accountability
27 commission. The institutes shall provide school district staff with
28 training in the analysis of student assessment data, information
29 regarding successful district and school teaching models, research on
30 curriculum and instruction, and planning tools for districts to improve
31 instruction in reading, mathematics, language arts, and guidance and
32 counseling.

33 ((+10+)) (11) \$3,713,000 of the general fund--state appropriation
34 for fiscal year 2004 and \$3,713,000 of the general fund--state
35 appropriation for fiscal year 2005 are provided solely for the
36 Washington reading corps subject to the following conditions and
37 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~~) (12) \$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))~~) (13) \$313,000 of the general fund--state appropriation for
18 fiscal year 2004 and \$313,000 of the general fund--state appropriation
19 for fiscal year 2005 are provided solely for a principal support
20 program. The office of the superintendent of public instruction may
21 contract with an independent organization to administer the program.
22 The 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))~~) (14) \$126,000 of the general fund--state appropriation for
29 fiscal year 2004 and \$126,000 of the general fund--state appropriation
30 for fiscal year 2005 are provided for the development and posting of
31 web- based instructional tools, assessment data, and other information
32 that assists schools and teachers implementing higher academic
33 standards.

34 (~~((14))~~) (15) \$3,046,000 of the general fund--state appropriation
35 for fiscal year 2004 and \$3,046,000 of the general fund--state
36 appropriation for fiscal year 2005 are provided solely to the office of
37 the superintendent of public instruction for focused assistance. The
38 office of the superintendent of public instruction shall conduct

1 educational audits of low-performing schools and enter into performance
2 agreements between school districts and the office to implement the
3 recommendations of the audit and the community. Each educational audit
4 shall include recommendations for best practices and ways to address
5 identified needs and shall be presented to the community in a public
6 meeting to seek input on ways to implement the audit and its
7 recommendations.

8 ~~((+15+))~~ (16) \$1,764,000 of the general fund--state appropriation
9 for fiscal year 2004 and \$1,764,000 of the general fund--state
10 appropriation for fiscal year 2005 are provided solely for the
11 mathematics helping corps subject to the following conditions and
12 limitations:

13 (a) In order to increase the availability and quality of technical
14 mathematics assistance statewide, the superintendent of public
15 instruction shall employ mathematics school improvement specialists to
16 provide assistance to schools and districts. The specialists shall be
17 hired by and work under the direction of a statewide school improvement
18 coordinator. The mathematics improvement specialists shall not be
19 permanent employees of the superintendent of public instruction.

20 (b) The school improvement specialists shall provide the following:

21 (i) Assistance to schools to disaggregate student performance data
22 and develop improvement plans based on those data;

23 (ii) Consultation with schools and districts concerning their
24 performance on the Washington assessment of student learning and other
25 assessments emphasizing the performance on the mathematics assessments;

26 (iii) Consultation concerning curricula that aligns with the
27 essential academic learning requirements emphasizing the academic
28 learning requirements for mathematics, the Washington assessment of
29 student learning, and meets the needs of diverse learners;

30 (iv) Assistance in the identification and implementation of
31 research-based instructional practices in mathematics;

32 (v) Staff training that emphasizes effective instructional
33 strategies and classroom-based assessment for mathematics;

34 (vi) Assistance in developing and implementing family and community
35 involvement programs emphasizing mathematics; and

36 (vii) Other assistance to schools and school districts intended to
37 improve student mathematics learning.

1 (2) The superintendent shall distribute a maximum of \$725.11 per
2 eligible bilingual student in the 2003-04 school year and (~~(\$725.11)~~)
3 \$725.17 in the 2004-05 school year, exclusive of salary and benefit
4 adjustments provided in section 504 of this act.

5 (3) The superintendent may withhold up to \$700,000 in school year
6 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
7 eligible pupil rates in subsection (2) of this section accordingly, for
8 the central provision of assessments as provided in RCW 28A.180.090 (1)
9 and (2).

10 (4) \$70,000 of the amounts appropriated in this section are
11 provided solely to develop a system for the tracking of current and
12 former transitional bilingual program students.

13 (5) The general fund--federal appropriation in this section is
14 provided for migrant education under Title I Part C and English
15 language acquisition, and language enhancement grants under Title III
16 of the elementary and secondary education act.

17 **Sec. 514.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to
18 read as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
20 **ASSISTANCE PROGRAM**

21	General Fund--State Appropriation (FY 2004)	((\$65,385,000))
22		<u>\$64,366,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$64,051,000))
24		<u>\$62,929,000</u>
25	General Fund--Federal Appropriation	((\$307,178,000))
26		<u>\$301,322,000</u>
27	TOTAL APPROPRIATION	((\$436,614,000))
28		<u>\$428,617,000</u>

29 (1) The general fund--state appropriations in this section are
30 subject to the following conditions and limitations:

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

34 (b) Funding for school district learning assistance programs shall
35 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
36 04 school year and (~~(\$433.03)~~) \$432.53 per funded unit for the 2004-05

1 school year exclusive of salary and benefit adjustments provided under
2 section 504 of this act.

3 (c) For purposes of this section, "test results" refers to the
4 district results from the norm-referenced test administered in the
5 specified grade level. The norm-referenced test results used for the
6 third and sixth grade calculations shall be consistent with the third
7 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

8 (d) A school district's general fund--state funded units shall be
9 the sum of the following:

10 (i) The district's full-time equivalent enrollment in grades K-6,
11 multiplied by the 5-year average 4th grade lowest quartile test results
12 as adjusted for funding purposes in the school years prior to 1999-
13 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
14 shall be phased into the 5-year average on a 1-year lag;

15 (ii) The district's full-time equivalent enrollment in grades 7-9,
16 multiplied by the 5-year average 8th grade lowest quartile test results
17 as adjusted for funding purposes in the school years prior to 1999-
18 2000, multiplied by 0.82. As the 6th grade test becomes available, it
19 shall be phased into the 5-year average for these grades on a 1-year
20 lag;

21 (iii) The district's full-time equivalent enrollment in grades 10-
22 11 multiplied by the 5-year average 11th grade lowest quartile test
23 results, multiplied by 0.82. As the 9th grade test becomes available,
24 it shall be phased into the 5-year average for these grades on a 1-year
25 lag;

26 (iv) If, in the prior school year, the district's percentage of
27 October headcount enrollment in grades K-12 eligible for free and
28 reduced price lunch exceeded the state average, subtract the state
29 average percentage of students eligible for free and reduced price
30 lunch from the district's percentage and multiply the result by the
31 district's K-12 annual average full-time equivalent enrollment for the
32 current school year multiplied by 22.3 percent; and

33 (v) In addition to amounts allocated under (d) of this subsection,
34 for school districts in which the effective Title I Part A (basic
35 program) increase is insufficient to cover the formula change in the
36 multiplier from .92 to .82, a state allocation shall be provided that,
37 when combined with the effective increase in federal Title I Part A
38 (basic program) funds from the 2001-02 school year, is sufficient to

1 cover this amount. The effective Title I Part A (basic program)
2 increase is the current school year federal Title I Part A (basic
3 program) allocation minus the 2001-02 school year federal Title I Part
4 A (basic program) allocation, after the 2001-02 Title I Part A
5 allocation has been inflated by three percent.

6 (2) The general fund--federal appropriation in this section is
7 provided for Title I Part A allocations of the no child left behind act
8 of 2001.

9 (3) A school district may carry over from one year to the next up
10 to 10 percent of the general fund--state funds allocated under this
11 program; however, carryover funds shall be expended for the learning
12 assistance program.

13 **Sec. 515.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to
14 read as follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
16 **PROGRAM**

17	Student Achievement Fund--State	
18	Appropriation (FY 2004)	((\$203,123,000))
19		<u>\$206,825,000</u>
20	Student Achievement Fund--State	
21	Appropriation (FY 2005)	((\$195,080,000))
22		<u>\$195,535,000</u>
23	TOTAL APPROPRIATION	((\$398,203,000))
24		<u>\$402,360,000</u>

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

27 (1) Funding for school district student achievement programs shall
28 be allocated at a maximum rate of ((~~\$211.67~~)) \$211.72 per FTE student
29 for the 2003-04 school year and \$254.00 per FTE student for the 2004-
30 05 school year. For the purposes of this section and in accordance
31 with RCW 84.52.068, FTE student refers to the annual average full-time
32 equivalent enrollment of the school district in grades kindergarten
33 through twelve for the prior school year.

34 (2) The appropriation is allocated for the following uses as
35 specified in RCW 28A.505.210:

36 (a) To reduce class size by hiring certificated elementary

1 classroom teachers in grades K-4 and paying nonemployee-related costs
2 associated with those new teachers;

3 (b) To make selected reductions in class size in grades 5-12, such
4 as small high school writing classes;

5 (c) To provide extended learning opportunities to improve student
6 academic achievement in grades K-12, including, but not limited to,
7 extended school year, extended school day, before-and-after-school
8 programs, special tutoring programs, weekend school programs, summer
9 school, and all-day kindergarten;

10 (d) To provide additional professional development for educators
11 including additional paid time for curriculum and lesson redesign and
12 alignment, training to ensure that instruction is aligned with state
13 standards and student needs, reimbursement for higher education costs
14 related to enhancing teaching skills and knowledge, and mentoring
15 programs to match teachers with skilled, master teachers. The funding
16 shall not be used for salary increases or additional compensation for
17 existing teaching duties, but may be used for extended year and
18 extended day teaching contracts;

19 (e) To provide early assistance for children who need
20 prekindergarten support in order to be successful in school; or

21 (f) To provide improvements or additions to school building
22 facilities which are directly related to the class size reductions and
23 extended learning opportunities under (a) through (c) of this
24 subsection (2).

25 (3) For the 2003-04 school year, the office of the superintendent
26 of public instruction shall distribute ten percent of the school year
27 allocation to districts each month for the months of September through
28 June. For the 2004-05 school year, the superintendent of public
29 instruction shall distribute the school year allocation according to
30 the monthly apportionment schedule defined in RCW 28A.510.250.

31 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
32 **INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS**

33 Public Safety and Education Account--
34 Appropriation (FY 2005) \$831,000

35 The appropriation in this section is subject to the following
36 conditions and limitations: The amount in this section is provided

1 solely to implement Third Substitute House Bill No. 1796 (driver's
2 education funding). If Third Substitute House Bill No. 1796 is not
3 enacted by June 30, 2004, the amount in this section shall lapse.

4 **Sec. 517.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to
5 read as follows:

6 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State
7 general fund and state student achievement fund appropriations provided
8 to the superintendent of public instruction for state entitlement
9 programs in the public schools in this part V of this act may be
10 expended as needed by the superintendent for adjustments to
11 apportionment for prior fiscal periods. Recoveries of state general
12 fund moneys from school districts and educational service districts for
13 a prior fiscal period shall be made as reductions in apportionment
14 payments for the current fiscal period and shall be shown as prior year
15 adjustments on apportionment reports for the current period. Such
16 recoveries shall not be treated as revenues to the state, but as a
17 reduction in the amount expended against the appropriation for the
18 current fiscal period.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2003 1st sp.s. c 25 s 602 (uncodified) is amended to read as follows:

(1) The appropriations in sections 603 through 610 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	2003-04		2004-05	
	Annual		Annual	
	Average		Average	
University of Washington				
Main campus	((32,427))	<u>32,458</u>	((32,427))	<u>32,986</u>
Bothell branch	1,235		1,235	
Tacoma branch	((1,484))	<u>1,494</u>	((1,484))	<u>1,494</u>
Washington State University				
Main campus	((17,348))	<u>17,479</u>	((17,364))	<u>17,793</u>
Spokane branch	((593))	<u>616</u>	((593))	<u>616</u>
Tri-Cities branch	((616))	<u>633</u>	((616))	<u>633</u>
Vancouver branch	((1,153))	<u>1,162</u>	((1,153))	<u>1,162</u>
Central Washington University	((7,666))	<u>7,809</u>	((7,666))	<u>7,976</u>
Eastern Washington University	((8,017))	<u>8,150</u>	((8,017))	<u>8,272</u>
The Evergreen State College	((3,837))	<u>3,871</u>	((3,837))	<u>3,929</u>
Western Washington University	((11,126))	<u>11,242</u>	((11,126))	<u>11,411</u>
State Board for Community and Technical Colleges	((126,070))	<u>127,189</u>	((126,070))	<u>129,097</u>
Higher Education Coordinating Board	((246))	<u>0</u>	((500))	<u>860</u>

(2)(a) In addition to the annual full-time equivalent student enrollments enumerated in this section, funding is provided in (i) section 603 of this act for additional community or technical college

1 full-time equivalent student enrollments in high-demand fields of study
2 and (ii) section 722 of this act (special appropriations to the
3 governor) for additional full-time equivalent transfer student
4 enrollments with junior-class standing.

5 (b) For the state universities, the number of full-time equivalent
6 student enrollments enumerated in this section for the branch campuses
7 are the minimum required enrollment levels for those campuses. At the
8 start of an academic year, the governing board of a state university
9 may transfer full-time equivalent student enrollments from the main
10 campus to one or more branch campus. Intent notice shall be provided
11 to the office of financial management and reassignment of funded
12 enrollment is contingent upon satisfying data needs of the forecast
13 division who is responsible to track and monitor state-supported
14 college enrollment.

15 (3) It is the intent of the legislature that baccalaureate higher
16 education institutions manage actual full-time equivalent student
17 enrollments to be within a band of two percent of budgeted enrollments,
18 over a period of three years.

19 **Sec. 602.** 2003 1st sp.s. c 25 s 603 (uncodified) is amended to
20 read as follows:

21 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

22 General Fund--State Appropriation (FY 2004)	((\$507,960,000))
23	<u>\$509,268,000</u>
24 General Fund--State Appropriation (FY 2005)	((\$517,854,000))
25	<u>\$533,309,000</u>
26 Administrative Contingency Account--State	
27 Appropriation	((\$3,200,000))
28	<u>\$5,200,000</u>
29 TOTAL APPROPRIATION	((\$1,029,014,000))
30	<u>\$1,047,777,000</u>

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

33 (1) The technical colleges may increase tuition and fees in excess
34 of the fiscal growth factor to conform with the percentage increase in
35 community college operating fees.

36 (2) \$1,250,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$1,250,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to increase salaries and related
2 benefits for part-time faculty. The board shall report by January 30,
3 2004, to the office of financial management and legislative fiscal and
4 higher education committees on (a) the distribution of state funds; and
5 (b) wage adjustments for part-time faculty.

6 (3) \$1,250,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$1,250,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for faculty salary increments and
9 associated benefits and may be used in combination with salary and
10 benefit savings from faculty turnover to provide salary increments and
11 associated benefits.

12 (4) \$1,000,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,000,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided for a program to fund the start-up of new
15 community and technical college programs in rural counties as defined
16 under RCW 43.160.020(12) and in communities impacted by business
17 closures and job reductions. Successful proposals must respond to
18 local economic development strategies and must include a plan to
19 continue programs developed with this funding.

20 (5) \$675,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$675,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for allocation to Clark Community
23 College and Lower Columbia Community College to prepare a total of 168
24 full-time equivalent students for transfer to the engineering and
25 science institute at the Vancouver branch campus of Washington State
26 University. The appropriations in this section are intended to
27 supplement, not supplant, general enrollment allocations by the board
28 to districts named in this subsection.

29 (6) \$640,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$640,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for allocation to twelve college
32 districts identified in (a) through (l) of this subsection to prepare
33 students for transfer to the state technology institute at the Tacoma
34 branch campus of the University of Washington. The appropriations in
35 this section are intended to supplement, not supplant, general
36 enrollment allocations by the board to the districts under (a) through
37 (l) of this subsection:

38 (a) Bates Technical College;

- 1 (b) Bellevue Community College;
- 2 (c) Centralia Community College;
- 3 (d) Clover Park Community College;
- 4 (e) Grays Harbor Community College;
- 5 (f) Green River Community College;
- 6 (g) Highline Community College;
- 7 (h) Tacoma Community College;
- 8 (i) Olympic Community College;
- 9 (j) Pierce District;
- 10 (k) Seattle District; and
- 11 (l) South Puget Sound Community College.

12 (7) \$28,761,000 of the general fund--state appropriation for fiscal
13 year 2004 (~~and \$28,761,000~~), \$26,761,000 of the general fund--state
14 appropriation for fiscal year 2005, and \$2,000,000 of the
15 administrative contingency account--state appropriation are provided
16 solely as special funds for training and related support services,
17 including financial aid, as specified in chapter 226, Laws of 1993
18 (employment and training for unemployed workers). Funding is provided
19 to support up to (~~6,200~~) 7,219 full-time equivalent students in each
20 fiscal year.

21 (8) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$1,000,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for tuition support for students
24 enrolled in work-based learning programs.

25 (9) \$2,950,000 of the administrative contingency account--state
26 appropriation is provided solely for administration and customized
27 training contracts through the job skills program, which shall be made
28 available broadly and not to the exclusion of private nonprofit
29 baccalaureate degree granting institutions or vocational arts career
30 schools operating in Washington state who partner with a firm,
31 hospital, group, or industry association concerned with commerce,
32 trade, manufacturing, or the provision of services to train current or
33 prospective employees. The state board shall make an annual report by
34 January 1 of each fiscal year to the governor and appropriate policy
35 and fiscal committees of the legislature regarding the implementation
36 of this section listing the scope of grant awards, the distribution of
37 funds by educational sector and region of the state, as well as
38 successful partnerships being supported by these state funds.

1 (10) \$250,000 of the administrative contingency account--state
2 appropriation is provided solely and on a one-time basis to start up a
3 college district consortium organized under the name "alliance for
4 corporate education." Financial operations shall be self-sustaining by
5 no later than June 30, 2005, after which time any amount remaining
6 unexpended from this amount shall lapse.

7 (11) \$50,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$50,000 of the general fund--state appropriation for
9 fiscal year 2005 are solely for higher education student child care
10 matching grants under chapter 28B.135 RCW.

11 (12) \$212,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$212,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided for allocation to Olympic college. The
14 college shall contract with accredited baccalaureate institution(s) to
15 bring a program of upper-division courses to Bremerton. The state
16 board for community and technical colleges shall report to the office
17 of financial management and the fiscal and higher education committees
18 of the legislature on the implementation of this subsection by December
19 1st of each fiscal year.

20 (13) \$6,304,000 of the general fund--state appropriation for fiscal
21 year 2004 and (~~(\$6,305,000)~~) \$12,704,000 of the general fund--state
22 appropriation for fiscal year 2005 are provided solely to expand
23 enrollment in high-demand fields.

24 (a) High-demand fields means (i) health services, (ii) applied
25 science and engineering, (iii) viticulture and enology, (~~and~~) (iv)
26 expansion of worker retraining programs, (v) information technology,
27 (vi) manufacturing, and (vii) energy technology. The state board
28 shall allocate resources among the (~~four~~) seven areas specified in
29 this subsection and shall manage a competitive process for awarding
30 resources for health services, viticulture, enology, (~~and~~) applied
31 science and engineering, information technology, manufacturing, and
32 energy technology programs.

33 (b) The state board shall provide information on the number of
34 additional headcount and full-time equivalent students enrolled in
35 high-demand fields (~~by November 1 of each fiscal year~~) at the
36 conclusion of each academic year, as soon as final enrollment data
37 becomes available, to the office of financial management and the fiscal
38 and higher education committees of the legislature.

1 (14) \$111,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$86,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to support the development of a
4 comprehensive viticulture (grape growing) and enology (wine making)
5 higher education program in Washington state. From these sums, the
6 state board shall allocate:

7 (a) \$75,000 a year to Walla Walla community college for its
8 associate science and associate arts degree programs for the purpose of
9 vineyard and wine-making equipment purchases, student labor,
10 instructional supplies, field work, and travel expenses;

11 (b) \$25,000 on a one-time basis to Wenatchee community college for
12 the purpose of adapting its orchard employee educational program; and

13 (c) \$22,000 on a one-time basis to Yakima Valley community college
14 for the purpose of vineyard and wine-making equipment and supply
15 purchases.

16 The college districts named in this subsection are encouraged to
17 seek a portion of the high-demand student enrollment funding made
18 available on a competitive basis through the state board to address
19 their respective need for additional instructors and professional
20 staff.

21 (15) \$300,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely for the transition math project to address
23 the need to reduce remedial math courses taken at institutions of
24 higher education. The project will bring together representatives from
25 the K-12 system, the two-year college system, and the public four-year
26 institutions of higher education to: (a) Align standards and
27 expectations for mathematics so that high school graduates will be well
28 prepared to enter college-level math courses; (b) increase student
29 success in completing math requirements in high school and college
30 through careful attention to improved instruction and assessment; and
31 (c) communicate math expectations to students through clear and
32 consistent messages and focused educational advising. The state board
33 for community and technical colleges will serve as fiscal agent for the
34 project.

35 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to
36 read as follows:

1 **FOR THE UNIVERSITY OF WASHINGTON**

2	General Fund--State Appropriation (FY 2004)	((\$311,628,000))
3		<u>\$310,866,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$319,584,000))
5		<u>\$326,630,000</u>
6	General Fund--Private/Local Appropriation	\$300,000
7	Death Investigations Account--State	
8	Appropriation	\$261,000
9	Accident Account--State Appropriation	\$5,937,000
10	Medical Aid Account--State Appropriation	\$5,960,000
11	TOTAL APPROPRIATION	((\$643,670,000))
12		<u>\$649,954,000</u>

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

15 (1) \$1,875,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$1,875,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to create a state resource for
18 technology education in the form of an institute located at the
19 University of Washington, Tacoma. The university will continue to
20 provide undergraduate and graduate degree programs meeting regional
21 technology needs including, but not limited to, computing and software
22 systems. As a condition of these appropriations:

23 (a) The university will work with the state board for community and
24 technical colleges, or individual colleges where necessary, to
25 establish articulation agreements in addition to the existing associate
26 of arts and associate of science transfer degrees. Such agreements
27 shall improve the transferability of students and in particular,
28 students with substantial applied information technology credits.

29 (b) The university will establish performance measures for
30 recruiting, retaining and graduating students, including nontraditional
31 students, and report back to the governor and legislature by September
32 2004 as to its progress and future steps.

33 (2) \$150,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$150,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for research faculty clusters in
36 the advanced technology initiative program.

37 (3) The entire death investigations account appropriation is
38 provided for the forensic pathologist fellowship program.

1 (4) \$150,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$150,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the implementation of the
4 Puget Sound work plan and agency action item UW-01.

5 (5) \$75,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$75,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the Olympic natural resources
8 center.

9 (6) \$1,526,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$3,096,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for competitively offered
12 recruitment and retention salary adjustments for instructional and
13 research faculty, exempt professional staff, academic administrators,
14 academic librarians, counselors, teaching and research assistants, as
15 classified by the office of financial management, and all other
16 nonclassified staff, but not including employees under RCW 28B.16.015.
17 Tuition revenues may be expended in addition to those required by this
18 section to further provide recruitment and retention salary
19 adjustments.

20 (7) \$1,250,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,250,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for state match to attract or
23 retain federal research grants in high demand and technologically
24 advanced fields.

25 (8) \$300,000 of the general fund--private/local appropriation is
26 provided solely for shellfish biotoxin monitoring as specified in
27 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

28 (9) \$2,900,000 of the general fund--state appropriation in fiscal
29 year 2005 is provided solely for the University of Washington's school
30 of medicine for the recruitment of biosciences research faculty to
31 establish a proteomics center.

32 (10) \$1,897,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely for the training and support of primary
34 care physicians and primary care providers through the network of
35 family practice residency programs. All of the funding provided in
36 this section shall be distributed directly to the family practice
37 residency programs to assist with cost increases experienced by the
38 programs, including the cost of medical malpractice premiums.

1 (11) \$30,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for research on labor and economic issues
3 in Washington. All of the funding provided in this subsection shall be
4 allocated to the Harry Bridges Center to support research and shall not
5 be used for overhead expenses.

6 (12) The University of Washington shall present a preliminary
7 report to the fiscal committees of the legislature detailing the use of
8 state research funds by November 1, 2004, and shall present a final
9 report by November 1, 2005. For each research project supported by the
10 state general fund in the 2003-05 biennium, including projects funded
11 in the university's base budget, the report shall include: (a) A brief
12 description of the research project; (b) the amount of state and
13 institutional funds contributed to the project; (c) the level of
14 federal or other sources of match received for the state's investment;
15 and (d) any other information deemed pertinent by the institution.

16 (13) By December 15, 2004, the University of Washington Bothell
17 shall submit to the higher education and fiscal committees of the
18 legislature a plan to phase in lower-division courses at the campus.
19 At a minimum, the following issues should be addressed in the plan:

20 (a) An enrollment plan that provides adequate capacity for
21 community college transfer students;

22 (b) Appropriate levels of state general fund support and tuition
23 and fees for the campus, commensurate with a role and mission similar
24 to a comprehensive university;

25 (c) Identification of any start-up costs to implement the phase-in
26 of lower division courses; and

27 (d) Other issues deemed pertinent by the institution.

28 **Sec. 604.** 2003 1st sp.s. c 25 s 605 (uncodified) is amended to
29 read as follows:

30 **FOR WASHINGTON STATE UNIVERSITY**

31 General Fund--State Appropriation (FY 2004) ((~~\$185,265,000~~))
32 \$184,966,000

33 General Fund--State Appropriation (FY 2005) ((~~\$189,954,000~~))
34 \$192,450,000

35 Washington State University Building Account--

36 State Appropriation \$150,000

37 TOTAL APPROPRIATION ((~~\$375,369,000~~))

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

(1) \$507,000 of the general fund--state appropriation for fiscal year 2004 and \$1,014,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to expand the entering class of veterinary medicine students by 16 full-time equivalent residents each academic year during the 2003-05 biennium.

(2) \$657,000 of the general fund--state appropriation for fiscal year 2004, \$180,000 of the general fund--state appropriation for fiscal year 2005, and the entire Washington state university building account appropriation are provided solely to support the development of a comprehensive viticulture (grape growing) and enology (wine making) higher education program in Washington state. In consideration of these appropriations, the legislature intends to provide ongoing support of not less than \$180,000 a year for extension field personnel and services. The balance of the amount provided from the fiscal year 2004 appropriation is provided on a one-year basis to enable the university to appoint jointly shared faculty between the Pullman main campus and its branch campus in the TriCities. The legislature expects the university to meet ongoing faculty, staff, and related expenses to support the delivery of baccalaureate degree programs in viticulture and enology by making a successful bid for a portion of high-demand enrollment funding that will be distributed on a competitive basis by the state higher education coordinating board for student instruction pursuant to section 610(3) of this act.

(3) \$675,000 of the general fund--state appropriation for fiscal year 2004 and \$675,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for allocation in full to the branch campus in Vancouver to create and operate a state institute for engineering and science in partnership with Clark and Lower Columbia community colleges and regional industry leaders in southwest Washington. As a condition of this appropriation, the university shall develop and provide to the satisfaction of the office of financial management a business plan for the new institute. The university, together with its two-year college and industry partners, shall provide the governor, legislature, and state higher education coordinating board with an annual summary of its progress to produce more graduates

1 trained in applied science technologies and engineering. Annual
2 reports to inform and advise policymakers of the partners' success,
3 emerging issues, and resource needs if any shall occur by no later than
4 November 15 during the 2003-05 biennium.

5 (4) \$150,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$150,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for research faculty clusters in
8 the advanced technology initiative program.

9 (5) \$165,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$166,000 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 WSU-01.

13 (6) \$949,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$1,927,000 of general fund--state appropriation for
15 fiscal year 2005 are provided solely for competitively offered
16 recruitment and retention salary adjustments for instructional and
17 research faculty, exempt professional staff, academic administrators,
18 academic librarians, counselors, teaching and research assistants, as
19 classified by the office of financial management, and all other
20 nonclassified staff, but not including employees under RCW 28B.16.015.
21 Tuition revenues may be expended in addition to those required by this
22 section to further provide recruitment and retention salary
23 adjustments.

24 (7) \$850,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for state match to attract or retain
26 federal research grants in high demand and technologically advanced
27 fields.

28 (8) \$50,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for research to develop alternative
30 control mechanisms for burrowing shrimp.

31 (9) \$270,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely to the college of veterinary medicine to
33 support the development of a live animal test for bovine spongiform
34 encephalopathy.

35 (10) Washington State University shall present a preliminary report
36 to the fiscal committees of the legislature detailing the use of state
37 research funds by November 1, 2004, and shall present a final report by
38 November 1, 2005. For each research project supported by the state

1 general fund in the 2003-05 biennium, including projects funded in the
2 university's base budget, the report shall include: (a) A brief
3 description of the research project; (b) the amount of state and
4 institutional funds contributed to the project; (c) the level of
5 federal or other sources of match received for the state's investment;
6 and (d) any other information deemed pertinent by the institution.

7 **Sec. 605.** 2003 1st sp.s. c 25 s 606 (uncodified) is amended to
8 read as follows:

9 **FOR EASTERN WASHINGTON UNIVERSITY**

10	General Fund--State Appropriation (FY 2004)	((\$40,861,000))
11		<u>\$40,796,000</u>
12	General Fund--State Appropriation (FY 2005)	((\$42,183,000))
13		<u>\$42,798,000</u>
14	TOTAL APPROPRIATION	((\$83,044,000))
15		<u>\$83,594,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations: \$248,000 of the general fund--state
18 appropriation for fiscal year 2004 and \$503,000 of general fund--state
19 appropriation for fiscal year 2005 are provided solely for
20 competitively offered recruitment and retention salary adjustments for
21 instructional and research faculty, exempt professional staff, academic
22 administrators, academic librarians, counselors, teaching and research
23 assistants, as classified by the office of financial management, and
24 all other nonclassified staff, but not including employees under RCW
25 28B.16.015. Tuition revenues may be expended in addition to those
26 required by this section to further provide recruitment and retention
27 salary adjustments.

28 **Sec. 606.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to
29 read as follows:

30 **FOR CENTRAL WASHINGTON UNIVERSITY**

31	General Fund--State Appropriation (FY 2004)	((\$39,765,000))
32		<u>\$39,694,000</u>
33	General Fund--State Appropriation (FY 2005)	((\$41,391,000))
34		<u>\$42,449,000</u>
35	TOTAL APPROPRIATION	((\$81,156,000))
36		<u>\$82,143,000</u>

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

3 (1) \$1,050,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$1,050,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided to expand university enrollment by 196
6 full-time equivalent students.

7 (2) \$206,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$418,000 of general fund--state appropriation for fiscal
9 year 2005 are provided solely for competitively offered recruitment and
10 retention salary adjustments for instructional and research faculty,
11 exempt professional staff, academic administrators, academic
12 librarians, counselors, teaching and research assistants, as classified
13 by the office of financial management, and all other nonclassified
14 staff, but not including employees under RCW 28B.16.015. Tuition
15 revenues may be expended in addition to those required by this section
16 to further provide recruitment and retention salary adjustments.

17 **Sec. 607.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to
18 read as follows:

19 **FOR THE EVERGREEN STATE COLLEGE**

20	General Fund--State Appropriation (FY 2004)	((\$22,881,000))
21		<u>\$22,834,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$23,618,000))
23		<u>\$23,886,000</u>
24	TOTAL APPROPRIATION	((\$46,499,000))
25		<u>\$46,720,000</u>

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

28 (1) \$124,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$252,000 of general fund--state appropriation for fiscal
30 year 2005 are provided solely for competitively offered recruitment and
31 retention salary adjustments for instructional and research faculty,
32 exempt professional staff, academic administrators, academic
33 librarians, counselors, teaching and research assistants, as classified
34 by the office of financial management, and all other nonclassified
35 staff, but not including employees under RCW 28B.16.015. Tuition
36 revenues may be expended in addition to those required by this section
37 to further provide recruitment and retention salary adjustments.

1 (2) The Washington state institute for public policy shall research
2 the following issues and provide reports to the legislature as
3 directed. The institute board shall prioritize and schedule all
4 studies based on staff capacity.

5 (a) \$110,000 of the general fund--state appropriation for fiscal
6 year 2004 is provided solely for the Washington state institute for
7 public policy to review research assessing the effectiveness of
8 prevention and early intervention programs concerning children and
9 youth, including but not limited to, programs designed to reduce the
10 at-risk behaviors for children and youth identified in RCW
11 70.190.010(4).

12 Using this research, the institute shall identify specific
13 research-proven programs that produce a positive return on the dollar
14 compared to the costs of the program. The institute shall also develop
15 criteria designed to ensure quality implementation and program fidelity
16 of research-proven programs in the state. The criteria shall include
17 measures for ongoing monitoring and continual improvement of treatment
18 delivery, and shall be feasible for inclusion in a contract for
19 services. The institute shall develop recommendations for potential
20 state legislation that encourages local government investment in
21 research-proven prevention and early intervention programs by
22 reimbursing local governments for a portion of the savings that accrue
23 to the state as the result of local investments in such programs. The
24 institute shall present a preliminary report of its findings to the
25 appropriate committees of the legislature by December 1, 2003, and
26 shall present a final report by (~~March~~) July 1, 2004.

27 (b) \$26,000 of the general fund--state appropriation for fiscal
28 year 2004 is provided solely for the Washington state institute for
29 public policy to develop adherence and outcome standards for measuring
30 the effectiveness of treatment programs referred to in Chapter 378,
31 Laws of 2003 (ESSB 5903). The standards shall be developed and
32 presented to the governor and legislature by no later than January 1,
33 2004.

34 (c) \$100,000 of the general fund--state appropriation for fiscal
35 year 2004 is provided solely for the Washington state institute for
36 public policy to study the relationship between prison overcrowding and
37 construction, and the current state criminal sentencing structure.

1 (i) The institute shall determine whether any changes could be made
2 to the current state sentencing structure to address prison
3 overcrowding and the need for new prison construction, giving great
4 weight to the primary purposes of the criminal justice system. These
5 purposes include: Protecting community safety; making frugal use of
6 state and local government resources by concentrating resources on
7 violent offenders and sex offenders who pose the greatest risk to our
8 communities; achieving proportionality in sentencing; and reducing the
9 risk of reoffending by offenders in the community.

10 (ii) In developing its research plan, the institute may consult
11 with the sentencing guidelines commission, the caseload forecast
12 council, and interested stakeholders.

13 (iii) The institute for public policy shall present a preliminary
14 report of its findings to the governor and to the appropriate standing
15 committees of the legislature by December 15, 2003, and shall present
16 a final report regarding its findings and recommendations by March 15,
17 2004.

18 (d) \$12,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$12,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the Washington state institute
21 for public policy to examine the results of the changes in earned
22 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
23 determine whether the changes in earned release affect the rate of
24 recidivism or the type of offenses committed by persons whose release
25 dates were affected by the changes under the bill. The institute shall
26 report its findings to the governor and appropriate committees of the
27 legislature by no later than December 1, 2008.

28 ~~((e) \$25,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$25,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for the institute for public
31 policy to conduct the evaluation outlined in Substitute Senate Bill No.
32 5012 (charter schools). If the bill is not enacted by June 30, 2003,
33 the amounts provided in this subsection shall lapse.))~~

34 **Sec. 608.** 2003 1st sp.s. c 25 s 609 (uncodified) is amended to
35 read as follows:

36 **FOR WESTERN WASHINGTON UNIVERSITY**

37 General Fund--State Appropriation (FY 2004) ((\$53,645,000))

1		<u>\$53,539,000</u>
2	General Fund--State Appropriation (FY 2005)	((\$55,537,000))
3		<u>\$56,353,000</u>
4	TOTAL APPROPRIATION	((\$109,182,000))
5		<u>\$109,892,000</u>

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

8 (1) \$980,400 of the general fund--state appropriation for fiscal
9 year 2004 and \$980,400 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the operations of the North
11 Snohomish, Island, Skagit (NSIS) higher education consortium.

12 (2) \$248,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$503,000 of general fund--state appropriation for fiscal
14 year 2005 are provided solely for competitively offered recruitment and
15 retention salary adjustments for instructional and research faculty,
16 exempt professional staff, academic administrators, academic
17 librarians, counselors, teaching and research assistants, as classified
18 by the office of financial management, and all other nonclassified
19 staff, but not including employees under RCW 28B.16.015. Tuition
20 revenues may be expended in addition to those required by this section
21 to further provide recruitment and retention salary adjustments.

22 **Sec. 609.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
23 read as follows:

24 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
25 **ADMINISTRATION**

26	General Fund--State Appropriation (FY 2004)	((\$4,952,000))
27		<u>\$4,943,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$7,716,000))
29		<u>\$14,365,000</u>
30	General Fund--Federal Appropriation	((\$642,000))
31		<u>\$649,000</u>
32	TOTAL APPROPRIATION	((\$13,310,000))
33		<u>\$19,957,000</u>

34 The appropriations in this section are provided to carry out the
35 policy coordination, planning, studies and administrative functions of
36 the board and are subject to the following conditions and limitations:

1 (1) Within the appropriations provided in this section, funds are
2 provided to continue the teacher training pilot program pursuant to
3 chapter 28B.80 RCW until standing authority for this program expires as
4 scheduled on January 1, 2005.

5 (2) \$175,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$175,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely to continue a demonstration
8 project to improve rural access to post-secondary education by bringing
9 distance learning technologies into Jefferson county.

10 (3) \$2,755,000 of the general fund--state appropriation for fiscal
11 year 2004 and (~~(\$5,520,000)~~) \$11,919,000 of the general fund--state
12 appropriation for fiscal year 2005 are provided solely to contract for
13 (~~(246)~~) 247 full-time equivalent students in high demand fields in
14 fiscal year 2004 and an additional (~~(254)~~) 860 full-time equivalent
15 students in high demand fields in fiscal year 2005. High-demand fields
16 are programs where enrollment access is limited and employers are
17 experiencing difficulty finding qualified graduates to fill job
18 openings. Of the amounts provided, up to \$70,000 may be used for
19 management of the competitive process for awarding high-demand student
20 FTEs during the 2003-05 biennium.

21 (a) The board will manage a competitive process for awarding high-
22 demand student FTEs. Public baccalaureate institutions are eligible to
23 apply for funding and may submit proposals that include cooperative
24 partnerships with private independent institutions.

25 (b) Among coequals, the board shall make it a priority to fund
26 proposals that prepare students for careers in (i) nursing and other
27 health services; (ii) applied science and engineering; (iii) teaching
28 and speech pathology; (iv) computing and information technology; and
29 (v) viticulture and enology, but not to the exclusion of compelling
30 proposals that document specific regional student and employer demand
31 in fields not listed in this subsection. Proposals and grant awards
32 will separately identify one-time, nonrecurring costs and ongoing
33 costs.

34 (c) The board will establish a proposal review committee that will
35 include, but not be limited to, representatives from the board, the
36 office of financial management, and economic development and labor
37 market analysts. The board will develop the request for proposals,

1 including the criteria for awarding grants, in consultation with the
2 proposal review committee.

3 (d) Baccalaureate institutions that receive grants shall provide
4 the board and the forecast division of the office of financial
5 management with data specified by the board or the office of financial
6 management that shows the impact of this subsection, particularly the
7 degree of improved access to high-demand programs for students and
8 successful job placements for graduates. The board will report on the
9 implementation of this subsection by November 1 of each fiscal year to
10 the office of financial management and the fiscal and higher education
11 committees of the legislature.

12 (4) \$205,000 of the general fund--state appropriation in fiscal
13 year 2005 is provided solely for a comprehensive and ongoing assessment
14 system as outlined in Substitute House Bill No. 3103 (higher
15 education). If the bill is not enacted by June 30, 2004, the amount
16 provided in this subsection shall lapse.

17 **Sec. 610.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to
18 read as follows:

19 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
20 **PROGRAMS**

21	General Fund--State Appropriation (FY 2004)	((\$145,217,000))
22		<u>\$145,228,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$154,412,000))
24		<u>\$161,774,000</u>
25	General Fund--Federal Appropriation	((\$7,530,000))
26		<u>\$7,537,000</u>
27	<u>Health Services Account--State Appropriation</u>	<u>\$2,000,000</u>
28	TOTAL APPROPRIATION	((\$307,159,000))
29		<u>\$316,539,000</u>

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

32 (1) \$259,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$273,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for the western interstate
35 commission for higher education.

36 (2) \$1,100,000 of the general fund--state appropriation for fiscal
37 year 2004 (~~and~~), \$1,100,000 of the general fund--state appropriation

1 for fiscal year 2005, and \$2,000,000 of the health services account--
2 state appropriation are provided solely for the health professional
3 conditional scholarship and loan program under chapter 28B.115 RCW.
4 This amount shall be deposited to the health professional loan
5 repayment and scholarship trust fund to carry out the purposes of the
6 program.

7 (3) \$75,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$75,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for higher education student child
10 care matching grants under chapter 28B.135 RCW.

11 (4) \$25,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$25,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for the benefit of students who
14 participate in college assistance migrant programs (CAMP) operating in
15 Washington state. To ensure timely state aid, the board may establish
16 a date after which no additional grants would be available for the
17 2003-04 and 2004-05 academic years. The board shall disperse grants in
18 equal amounts to eligible post-secondary institutions so that state
19 money in all cases supplements federal CAMP awards.

20 (5) \$111,628,000 of the general fund--state appropriation for
21 fiscal year 2004 and (~~(\$120,420,000)~~) \$123,387,000 of the general
22 fund--state appropriation for fiscal year 2005 are provided solely for
23 the state need grant program. It is the intent of the legislature to
24 serve all state need grant eligible students in the 2004-05 academic
25 year. The higher education coordinating board shall maintain the
26 maximum state need grant award amounts for the 2004-05 academic year at
27 2003-04 levels. After April 1 of each fiscal year, up to one percent
28 of the annual appropriation for the state need grant program may be
29 transferred to the state work study program.

30 (6) \$17,048,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$17,048,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for the state work study program.
33 After April 1 of each fiscal year, up to one percent of the annual
34 appropriation for the state work study program may be transferred to
35 the state need grant program. In addition to the administrative
36 allowance in subsection (12) of this section, four percent of the
37 general fund--state amount in this subsection may be expended for state
38 work study program administration.

1 (7) \$2,867,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$2,867,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for educational opportunity grants
4 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
5 deposit sufficient funds from its appropriation into the state
6 education trust fund as established in RCW 28B.10.821 to provide a one-
7 year renewal of the grant for each new recipient of the educational
8 opportunity grant award.

9 (8) \$1,919,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$2,155,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to implement the Washington
12 scholars program. Any Washington scholars program moneys not awarded
13 by April 1st of each year may be transferred by the board to the
14 Washington award for vocational excellence.

15 (9) \$794,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$845,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to implement Washington award for
18 vocational excellence program. Any Washington award for vocational
19 program moneys not awarded by April 1st of each year may be transferred
20 by the board to the Washington scholars program.

21 (10) \$246,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$246,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for community scholarship matching
24 grants of \$2,000 each. To be eligible for the matching grant, a
25 nonprofit community organization organized under section 501(c)(3) of
26 the internal revenue code must demonstrate that it has raised \$2,000 in
27 new moneys for college scholarships after the effective date of this
28 act. An organization may receive more than one \$2,000 matching grant
29 and preference shall be given to organizations affiliated with the
30 citizens' scholarship foundation.

31 (11) Subject to state need grant service requirements pursuant to
32 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
33 appropriation for fiscal year 2004 and (~~(\$6,050,000)~~) \$10,393,000 of
34 the general fund--state appropriation for fiscal year 2005 are provided
35 solely for the Washington promise scholarship program. For fiscal year
36 2005, the income eligibility for the graduating high school class of
37 2004 shall not exceed one hundred twenty percent of the state median
38 family income adjusted for family size. The income eligibility for the

1 graduating high school class of 2003 shall be retained at one hundred
2 thirty-five percent of the state median family income adjusted for
3 family size.

4 (12) \$2,667,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$2,768,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for financial aid administration,
7 in addition to the four percent cost allowance provision for state work
8 study under subsection (6) of this section. These funds are provided
9 to administer all the financial aid and grant programs assigned to the
10 board by the legislature and administered by the agency. To the extent
11 the executive director finds the agency will not require the full sum
12 provided in this subsection, a portion may be transferred to supplement
13 financial grants-in-aid to eligible clients after notifying the board
14 and the office of financial management of the intended transfer.

15 (13) \$539,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$540,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the displaced homemakers
18 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	TOTAL APPROPRIATION	((\$3,231,000))
2		<u>\$3,472,000</u>
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		<u>\$8,821,000</u>
8	General Fund--State Appropriation (FY 2005)	((\$38,879,000))
9		<u>\$44,968,000</u>
10	Dedicated Funds and Accounts Appropriation	((\$41,232,000))
11		<u>\$44,119,000</u>
12	TOTAL APPROPRIATION	((\$88,354,000))
13		<u>\$97,908,000</u>

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

16 ~~(1) ((The appropriation from dedicated funds and accounts shall be
17 made in the amounts specified and from the dedicated funds and accounts
18 specified in LEAP document 2003-38, a computerized tabulation developed
19 by the legislative evaluation and accountability program committee on
20 June 2, 2003, which is hereby incorporated by reference. The office of
21 financial management shall allocate the moneys appropriated in this
22 section in the amounts specified and to the state agencies specified in
23 LEAP document 2003-38, and adjust appropriation schedules accordingly.~~

24 ~~(2))~~(a) The monthly employer funding rate for insurance benefit
25 premiums, public employees' benefits board administration, and the
26 uniform medical plan, shall not exceed \$504.89 per eligible employee
27 for fiscal year 2004, and ~~((~~\$592.30~~))~~ \$600.85 for fiscal year 2005.

28 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
29 employee shall be included in the employer funding rate for fiscal year
30 2004, and \$2.11 per eligible employee shall be included in the employer
31 funding rate for fiscal year 2005, solely to increase life insurance
32 coverage in accordance with a court approved settlement in *Burbage et*
33 *al. v. State of Washington* (Thurston county superior court cause no.
34 94-2-02560-8).

35 (c) In order to achieve the level of funding provided for health
36 benefits, the public employees' benefits board shall require any or all

1 of the following: Employee premium copayments, increases in point-of-
2 service cost sharing, the implementation of managed competition, or
3 make other changes to benefits consistent with RCW 41.05.065.

4 (d) The health care authority shall deposit any moneys received on
5 behalf of the uniform medical plan as a result of rebates on
6 prescription drugs, audits of hospitals, subrogation payments, or any
7 other moneys recovered as a result of prior uniform medical plan claims
8 payments, into the public employees' and retirees' insurance account to
9 be used for insurance benefits. Such receipts shall not be used for
10 administrative expenditures.

11 ~~((+3))~~ (2) The health care authority, subject to the approval of
12 the public employees' benefits board, shall provide subsidies for
13 health benefit premiums to eligible retired or disabled public
14 employees and school district employees who are eligible for parts A
15 and B of medicare, pursuant to RCW 41.05.085. From January 1, 2004,
16 through December 31, 2004, the subsidy shall be \$102.35. Starting
17 January 1, 2005, the subsidy shall be \$116.19 per month.

18 ~~((+4))~~ (3) Technical colleges, school districts, and educational
19 service districts shall remit to the health care authority for deposit
20 into the public employees' and retirees' insurance account established
21 in RCW 41.05.120 the following amounts:

22 (a) For each full-time employee, \$42.76 per month beginning
23 September 1, 2003, and \$49.14 beginning September 1, 2004;

24 (b) For each part-time employee who, at the time of the remittance,
25 is employed in an eligible position as defined in RCW 41.32.010 or
26 41.40.010 and is eligible for employer fringe benefit contributions for
27 basic benefits, \$42.76 each month beginning September 1, 2003, and
28 \$49.14 beginning September 1, 2004, prorated by the proportion of
29 employer fringe benefit contributions for a full-time employee that the
30 part-time employee receives.

31 The remittance requirements specified in this subsection shall not
32 apply to employees of a technical college, school district, or
33 educational service district who purchase insurance benefits through
34 contracts with the health care authority.

35 ~~((+5))~~ (4) The appropriations in this section include amounts
36 sufficient to fund health benefits for ferry workers at the premium
37 levels specified in subsection (2) of this section, consistent with the
38 2003-2005 transportation appropriations act.

1 funding to enhance the federal medical assistance percentage for the
2 2001-2003 (~~or 2003-2005 fiscal biennia~~) biennium as a result of the
3 jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27),
4 the moneys shall be expended as an unanticipated receipt under RCW
5 43.79.270 and 43.79.280, subject to the following conditions and
6 limitations:

7 (a) The moneys shall be expended in the manner required by the
8 federal act;

9 (b) The federal moneys shall be expended in a manner that will
10 maximize the conservation of state moneys, which shall be placed in
11 reserve status and remain unexpended; and

12 (c) The director of financial management shall notify the
13 appropriate legislative fiscal committees of proposed allotment
14 modifications prior to expenditure of the federal moneys.

15 (2) If the state receives federal funding for the 2001-2003 (~~or~~
16 ~~2003-2005 fiscal biennia~~) biennium as a result of the jobs and growth
17 tax relief reconciliation act of 2003 (P.L. 108-27) in addition to the
18 funding described in subsection (1) of this section, the moneys may be
19 expended as an unanticipated receipt under RCW 43.79.270 and 43.79.280,
20 subject to the following conditions and limitations:

21 (a) The moneys shall be expended in the manner required by the
22 federal act;

23 (b) The federal moneys shall be expended for necessary state
24 services and in a manner that will maximize the conservation of state
25 moneys, which shall be placed in reserve status and remain unexpended;
26 and

27 (c) The director of financial management shall notify the
28 appropriate legislative fiscal committees of proposed allotment
29 modifications prior to expenditure of the federal moneys.

30 **Sec. 708.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to
31 read as follows:

32 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

33 <u>General Fund--State Appropriation (FY 2005)</u>	(\$10,638,000)
34 <u>Dedicated Funds and Accounts Appropriation</u>	(\$4,317,000)
35 <u>TOTAL APPROPRIATION</u>	(\$14,955,000)

36 The appropriations in this section are subject to the following
37 conditions and limitations: The office of financial management shall

1 (~~reduce allotments for all agencies by \$10,638,000 from 2003-05~~
2 ~~biennial general fund appropriations in this act~~) update agency
3 appropriation schedules to reflect the reduction in contributions to
4 the liability account(~~(. The general fund allotment reduction shall be~~
5 ~~placed in unallotted status and remain unexpended)~~) as identified by
6 agency and account in LEAP Document 2004-05 dated February 21, 2004,
7 which is hereby incorporated by reference.

8 **Sec. 709.** 2003 1st sp.s. c 25 s 723 (uncodified) is amended to
9 read as follows:

10 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
11 be necessary, are appropriated from the general fund, unless otherwise
12 indicated, for relief of various individuals, firms, and corporations
13 for sundry claims. These appropriations are to be disbursed on
14 vouchers approved by the director of (~~general administration~~) the
15 office of financial management, except as otherwise provided, as
16 follows:

17 (1) Reimbursement of criminal defendants acquitted on the basis of
18 self-defense, pursuant to RCW 9A.16.110:

- 19 (a) Kelly C. Schwartz, claim number SCJ 03-10 \$18,250
- 20 (b) Clinton Johnston, claim number SCJ 04-02 \$8,225
- 21 (c) Johnny Riley, claim number SCJ 04-05 \$1,500
- 22 (d) Gregory Nichols, claim number SCJ 04-06 \$3,995
- 23 (e) William Poll, claim number SCJ 04-07 \$31,106
- 24 (f) John Obert, claim number SCJ 04-09 \$15,957

25 (2) Payment from the state wildlife account for damage to crops by
26 wildlife, pursuant to RCW 77.36.050:

- 27 (a) Circle S Landscape Supplies, claim number
- 28 SCG 03-05 \$49,380
- 29 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 30 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 31 (d) Bud Hamilton, claim number SCG 03-10 \$15,591
- 32 (e) Richard Anderson, claim number SCG 03-11 \$75,933
- 33 (f) Neil Ice, claim number SCG 03-12 \$73,474
- 34 (g) Carl Anderson, claim number SCG 03-13 \$120,943
- 35 (h) Lafe Wilson, claim number SCG 04-02 \$626
- 36 (i) Richard Anderson, claim number SCG 04-04 \$28,998

1 **COSTS**

2 General Fund--State Appropriation (FY 2004) \$2,911,000

3 The appropriation in this section is subject to the following
4 conditions and limitations: The director of financial management shall
5 distribute the appropriation to the following counties in the amounts
6 designated for extraordinary criminal justice costs:

7 King \$2,743,000

8 Pacific \$168,000

9 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.
10 c 25 (uncodified) to read as follows:

11 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
12 **COUNTY ASSISTANCE**

13 General Fund--State Appropriation (FY 2005) \$3,000,000

14 The appropriation in this section is subject to the following
15 conditions and limitations: The appropriation is provided solely for
16 deposit in the county assistance account, and the department shall
17 distribute the funding to counties in accordance with the provisions of
18 Substitute House Bill No. 3175 (financial assistance/county).

19 NEW SECTION. **Sec. 715.** A new section is added to 2003 1st sp.s.
20 c 25 (uncodified) to read as follows:

21 **FOR THE OFFICE OF THE GOVERNOR--JOINT TASK FORCE ON MENTAL HEALTH**

22 General Fund--State Appropriation (FY 2005) \$50,000

23 General Fund--Federal Appropriation \$30,000

24 TOTAL APPROPRIATION \$80,000

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

27 (1) The appropriations are provided solely for a joint legislative
28 and executive task force on mental health services delivery and
29 financing. The joint task force shall consist of eight members, as
30 follows: The secretary of the department of social and health services
31 or his or her designee; the president of the Washington state
32 association of counties or his or her designee; a representative from
33 the governor's office; two members of the senate appointed by the
34 president of the senate, one of whom shall be a member of the majority
35 caucus and one of whom shall be a member of the minority caucus; two

1 members of the house of representatives appointed by the speaker of the
2 house of representatives, one of whom shall be a member of the majority
3 caucus and one of whom shall be a member of the minority caucus; and
4 the chair of the joint legislative audit and review committee. Staff
5 support for the joint task force is provided by the office of financial
6 management, the house of representatives office of program research,
7 and senate committee services.

8 (2) The joint task force may create advisory committees to assist
9 the joint task force in its work.

10 (3) Joint task force members may be reimbursed for travel expenses
11 as authorized under RCW 43.03.050-060 and chapter 44.04 RCW, as
12 appropriate. Advisory committee members, if appointed, shall not
13 receive compensation or reimbursement for travel or expenses.

14 (4) The joint task force shall assess and make recommendations
15 related to:

16 (a) Progress made by the department of social and health services
17 and the regional support networks (i) towards implementation of a
18 performance-based measurement system that focuses on outcomes for
19 consumers served by the mental health system, and (ii) to reduce
20 duplicative and burdensome administrative and oversight requirements;

21 (b) The funding requirements for mental health services for
22 nonmedicaid consumers for the priority populations under chapter 71.24
23 RCW;

24 (c) The extent to which the current funding distribution
25 methodology achieves equity in funding and access to services for
26 mental health services consumers;

27 (d) The administrative structure of the community mental health
28 system as it relates to effectively meeting the goals established in
29 statute;

30 (e) The most effective and efficient mental health funding and
31 payment models (including capitated managed care), in light of
32 requirements of the federal balanced budget act of 1997 related to
33 state medicaid managed care contracting; and

34 (f) The types, numbers, and locations of inpatient psychiatric
35 hospital and community residential beds in both the private and public
36 sector.

37 (5) The joint task force shall report its initial findings and

1 recommendations to the governor and appropriate committees of the
2 legislature by January 1, 2005, and its final findings and
3 recommendations by June 30, 2005.

4 NEW SECTION. **Sec. 716.** A new section is added to 2003 1st sp.s.
5 c 25 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--SEX OFFENDER SENTENCING**
7 General Fund--State Appropriation (FY 2005) \$2,000,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: The funding is provided to implement
10 proposed legislation revising criminal penalties for sex offenders. If
11 the legislation is not enacted by June 30, 2004, the amount provided in
12 this section shall lapse.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2003 1st sp.s. c 25 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ((~~\$4,711,500~~)) \$5,344,000

General Fund Appropriation for public utility district excise tax distributions ((~~\$39,273,684~~)) \$40,012,876

General Fund Appropriation for prosecuting attorney distributions ((~~\$3,441,197~~)) \$3,671,015

General Fund Appropriation for boating safety and education distributions ((~~\$4,074,300~~)) \$4,147,426

General Fund Appropriation for other tax distributions \$34,750

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies \$2,123,723

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$187,068

Timber Tax Distribution Account Appropriation for distribution to "timber" counties \$51,192,170

County Criminal Justice Assistance Appropriation ((~~\$52,131,000~~)) \$53,130,820

Municipal Criminal Justice Assistance Appropriation ((~~\$21,069,000~~)) \$21,069,120

Liquor Excise Tax Account Appropriation for liquor excise tax distribution \$32,624,831

Liquor Revolving Account Appropriation for

1 liquor profits distribution ((~~\$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 \$3,500,000
10 Woodstove Education and Enforcement Account:
11 For transfer to the air pollution control account \$600,000
12 Multimodal Transportation Account: For transfer
13 to the air pollution control account for
14 fiscal year 2004. The amount transferred
15 shall be deposited into the segregated
16 subaccount of the air pollution control
17 account created in Engrossed Substitute
18 Senate Bill No. 6072, chapter 264, Laws of
19 2003. The state treasurer shall perform the
20 transfer from the multimodal transportation
21 account to the air pollution control subaccount
22 on a quarterly basis \$4,170,726
23 Multimodal Transportation Account: For transfer
24 to the vessel response account for fiscal
25 year 2004 \$1,213,704
26 Resource Management Cost Account: For transfer
27 to the contract harvesting revolving account \$250,000
28 Forest Development Account: For transfer to the
29 contract harvesting revolving account \$250,000
30 Site Closure Account: For transfer to the
31 state general fund \$13,800,000
32 Health Services Account: For transfer to the
33 general fund--state for fiscal year 2005 ((~~\$1,250,000~~))
34 \$27,753,000
35 K-20 Technology Account: For transfer to the state
36 general fund \$1,281
37 Motor Vehicle Fund: For transfer
38 to the Public Safety and Education Account \$831,000

PART IX
MISCELLANEOUS

3 NEW SECTION. **Sec. 901.** A new section is added to 2003 1st sp.s.
4 c 25 (uncodified) to read as follows:

5 **FUND BALANCE TRANSFER.** At the end of fiscal year 2004, the office
6 of financial management shall transfer to the general fund-state fund
7 balance the unspent federal fiscal relief grant moneys received as a
8 result of P.L. 108-27 (federal jobs and growth tax relief
9 reconciliation act of 2003). Pursuant to RCW 43.135.035(5), the state
10 expenditure limit shall be increased by the amount of the transfer.

11 NEW SECTION. **Sec. 902.** A new section is added to 2003 1st sp.s.
12 c 25 (uncodified) to read as follows:

13 **AGENCY EXPENDITURES FOR MOTOR VEHICLES.** The use of hybrid motor
14 vehicles reduces air contaminants, greenhouse gas emissions and
15 reliance on imported sources of petroleum. To foster the use of hybrid
16 motor vehicles, beginning July 1, 2004, before the purchase or lease of
17 a motor vehicle, state agencies should first consider the feasibility
18 of hybrid motor vehicles. State agencies should strive to purchase or
19 lease a hybrid motor vehicle when the use of such vehicle is consistent
20 with and can accomplish the agency's mission and when the purchase is
21 financially reasonable. The financial assessment should include
22 savings accruing from reduced fuel purchases over the life of the
23 vehicle. Agencies shall report on their purchases of hybrid vehicles
24 in their biennial sustainability plans as required under executive
25 order 02-03.

26 **Sec. 903.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to
27 read as follows:

28 There is hereby created the gambling revolving fund which shall
29 consist of all moneys receivable for licensing, penalties, forfeitures,
30 and all other moneys, income, or revenue received by the commission.
31 The state treasurer shall be custodian of the fund. All moneys
32 received by the commission or any employee thereof, except for change
33 funds and an amount of petty cash as fixed by rule or regulation of the
34 commission, shall be deposited each day in a depository approved by the

1 state treasurer and transferred to the state treasurer to be credited
2 to the gambling revolving fund. Disbursements from the revolving fund
3 shall be on authorization of the commission or a duly authorized
4 representative thereof. In order to maintain an effective expenditure
5 and revenue control the gambling revolving fund shall be subject in all
6 respects to chapter 43.88 RCW but no appropriation shall be required to
7 permit expenditures and payment of obligations from such fund. All
8 expenses relative to commission business, including but not limited to
9 salaries and expenses of the director and other commission employees
10 shall be paid from the gambling revolving fund.

11 During the ~~((2001-))~~2003-2005 fiscal biennium, the legislature may
12 transfer from the gambling revolving fund to the problem gambling
13 treatment account. Also during the 2003-2005 fiscal biennium, the
14 legislature may transfer from the gambling revolving fund to the state
15 general fund such amounts as reflect the excess nontribal fund balance
16 of the fund ~~((and reductions made by the 2002 supplemental~~
17 ~~appropriations act for administrative efficiencies and savings))~~.

18 **Sec. 904.** RCW 28A.160.195 and 1995 1st sp.s. c 10 s 1 are each
19 amended to read as follows:

20 (1) The superintendent of public instruction, in consultation with
21 the regional transportation coordinators of the educational service
22 districts, shall establish a minimum number of school bus categories
23 considering the capacity and type of vehicles required by school
24 districts in Washington. The superintendent, in consultation with the
25 regional transportation coordinators of the educational service
26 districts, shall establish competitive specifications for each category
27 of school bus. The categories shall be developed to produce minimum
28 long-range operating costs, including costs of equipment and all costs
29 in operating the vehicles. The categories, for purposes of comparative
30 studies, will be at a minimum the same as those in the beginning of the
31 1994-95 school year. The competitive specifications shall meet federal
32 motor vehicle safety standards, minimum state specifications as
33 established by rule by the superintendent, and supported options as
34 determined by the superintendent in consultation with the regional
35 transportation coordinators of the educational service districts. In
36 fiscal year 2005, the superintendent may solicit and accept price

1 quotes for a rear-engine category school bus that shall be reimbursed
2 at the price of the corresponding front engine category.

3 (2) After establishing school bus categories and competitive
4 specifications, the superintendent of public instruction shall solicit
5 competitive price quotes from school bus dealers to be in effect for
6 one year and shall (a) except in fiscal year 2005, establish a list of
7 the lowest competitive price quotes obtained under this subsection, and
8 (b) in fiscal year 2005, establish a list of all accepted price quotes
9 in each category obtained under this subsection.

10 (3) The superintendent shall base the level of reimbursement to
11 school districts and educational service districts for school buses on
12 the lowest quote in each category.

13 (4) Notwithstanding RCW 28A.335.190, school districts and
14 educational service districts may purchase at the quoted price directly
15 from the dealer who is providing the lowest competitive price quote on
16 the list established under subsection (2) of this section and in fiscal
17 year 2005 from any dealer on the list established under subsection
18 (2)(b) of this section. School districts and educational service
19 districts may make their own selections for school buses, but shall be
20 reimbursed at the rates determined under (~~this section~~) subsection
21 (3) of this section and RCW 28A.160.200. District-selected options
22 shall not be reimbursed by the state. For the 2003-05 fiscal biennium,
23 school districts and educational service districts shall be reimbursed
24 for buses purchased only through a lowest-price competitive bid process
25 conducted pursuant to RCW 28A.335.190 or through the state bid process
26 established by this section.

27 (5) This section does not prohibit school districts or educational
28 service districts from conducting their own competitive bid process.

29 (6) The superintendent of public instruction may adopt rules under
30 chapter 34.05 RCW to implement this section.

31 **Sec. 905.** RCW 28A.650.035 and 1993 c 336 s 708 are each amended to
32 read as follows:

33 (1) The superintendent of public instruction may receive such
34 gifts, grants, and endowments from public or private sources as may be
35 made from time to time, in trust or otherwise, for the use and benefit
36 of the purposes of educational technology and expend the same or any

1 income therefrom according to the terms of the gifts, grants, or
2 endowments.

3 (2) The education technology account is hereby established in the
4 custody of the state treasurer. The superintendent of public
5 instruction shall deposit in the account all moneys received from
6 gifts, grants, or endowments for education technology. Moneys in the
7 account may be spent only for education technology. Disbursements from
8 the account shall be on authorization of the superintendent of public
9 instruction or the superintendent's designee. The account is subject
10 to the allotment procedure provided under chapter 43.88 RCW, but no
11 appropriation is required for disbursements.

12 (3) During the 2003-2005 biennium, the legislature may transfer
13 moneys from the education technology account to the data processing
14 revolving fund such amounts as reflect the excess fund balance of the
15 account.

16 **Sec. 906.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
17 read as follows:

18 The higher education coordinating board shall establish a planning
19 committee to develop criteria for the screening and selection of
20 recipients of the conditional scholarships. These criteria shall
21 emphasize factors demonstrating excellence including but not limited to
22 superior scholastic achievement, leadership ability, community
23 contributions, and an ability to act as a role model for targeted
24 ethnic minority students. These criteria also may include, for
25 approximately half of the recipients, requirements that those
26 recipients meet the definition of "needy student" under RCW 28B.10.802.

27 Subject to enactment of chapter . . . , Laws of 2004 (SHB 2708), for
28 fiscal year 2005, additional priority shall be given to such
29 individuals who are also bilingual. It is the intent of the
30 legislature to develop a pool of dual-language teachers in order to
31 meet the challenge of educating students who are dominant in languages
32 other than English.

33 **Sec. 907.** RCW 28B.119.010 and 2003 c 233 s 5 are each amended to
34 read as follows:

35 The higher education coordinating board shall design the Washington
36 promise scholarship program based on the following parameters:

1 (1) Scholarships shall be awarded to students graduating from
2 public and approved private high schools under chapter 28A.195 RCW,
3 students participating in home-based instruction as provided in chapter
4 28A.200 RCW, and persons twenty-one years of age or younger receiving
5 a GED certificate, who meet both an academic and a financial
6 eligibility criteria.

7 (a) Academic eligibility criteria shall be defined as follows:

8 (i) Beginning with the graduating class of 2002, students
9 graduating from public and approved private high schools under chapter
10 28A.195 RCW must be in the top fifteen percent of their graduating
11 class, as identified by each respective high school at the completion
12 of the first term of the student's senior year; or

13 (ii) Students graduating from public high schools, approved private
14 high schools under chapter 28A.195 RCW, students participating in home-
15 based instruction as provided in chapter 28A.200 RCW, and persons
16 twenty-one years of age or younger receiving a GED certificate, must
17 equal or exceed a cumulative scholastic assessment test I score of
18 twelve hundred on their first attempt or must equal or exceed a
19 composite American college test score of twenty-seven on their first
20 attempt.

21 (b) To meet the financial eligibility criteria, a student's family
22 income shall not exceed one hundred thirty-five percent of the state
23 median family income adjusted for family size, as determined by the
24 higher education coordinating board for each graduating class.
25 Students not meeting the eligibility requirements for the first year of
26 scholarship benefits may reapply for the second year of benefits, but
27 must still meet the income standard set by the board for the student's
28 graduating class. Beginning with the graduating class of 2004, a
29 student's family income shall not exceed one hundred twenty percent of
30 the state median family income adjusted for family size, as determined
31 by the higher education coordinating board.

32 (2) Promise scholarships are not intended to supplant any grant,
33 scholarship, or tax program related to postsecondary education. If the
34 board finds that promise scholarships supplant or reduce any grant,
35 scholarship, or tax program for categories of students, then the board
36 shall adjust the financial eligibility criteria or the amount of
37 scholarship to the level necessary to avoid supplanting.

1 (3) Within available funds, each qualifying student shall receive
2 two consecutive annual awards, the value of each not to exceed the
3 full-time annual resident tuition rates charged by Washington's
4 community colleges. The higher education coordinating board shall
5 award scholarships to as many students as possible from among those
6 qualifying under this section.

7 (4) By October 15th of each year, the board shall determine the
8 award amount of the scholarships, after taking into consideration the
9 availability of funds.

10 (5) The scholarships may only be used for undergraduate coursework
11 at accredited institutions of higher education in the state of
12 Washington.

13 (6) The scholarships may be used for undergraduate coursework at
14 Oregon institutions of higher education that are part of the border
15 county higher education opportunity project in RCW 28B.80.806 when
16 those institutions offer programs not available at accredited
17 institutions of higher education in Washington state.

18 (7) The scholarships may be used for college-related expenses,
19 including but not limited to, tuition, room and board, books, and
20 materials.

21 (8) The scholarships may not be awarded to any student who is
22 pursuing a degree in theology.

23 (9) The higher education coordinating board may establish
24 satisfactory progress standards for the continued receipt of the
25 promise scholarship.

26 (10) The higher education coordinating board shall establish the
27 time frame within which the student must use the scholarship.

28 **Sec. 908.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
29 to read as follows:

30 (1) The proceeds from the sale of the bonds authorized herein shall
31 be deposited in the state building construction account which is hereby
32 established in the state treasury and shall be used exclusively for the
33 purposes of carrying out the provisions of the capital appropriation
34 acts, and for payment of the expense incurred in the printing,
35 issuance, and sale of such bonds.

36 (2) During the 2003-2005 biennium, the legislature may transfer

1 moneys from the state building construction account to the conservation
2 assistance revolving account such amounts as reflect the excess fund
3 balance of the account.

4 **Sec. 909.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
5 read as follows:

6 (1) The director of financial management shall provide all agencies
7 with a complete set of instructions for submitting biennial budget
8 requests to the director at least three months before agency budget
9 documents are due into the office of financial management. The
10 director shall provide agencies and committees that are required under
11 RCW 44.40.070 to develop comprehensive six-year program and financial
12 plans with a complete set of instructions for submitting these program
13 and financial plans at the same time that instructions for submitting
14 other budget requests are provided. The budget document or documents
15 shall consist of the governor's budget message which shall be
16 explanatory of the budget and shall contain an outline of the proposed
17 financial policies of the state for the ensuing fiscal period, as well
18 as an outline of the proposed six-year financial policies where
19 applicable, and shall describe in connection therewith the important
20 features of the budget. The message shall set forth the reasons for
21 salient changes from the previous fiscal period in expenditure and
22 revenue items and shall explain any major changes in financial policy.
23 Attached to the budget message shall be such supporting schedules,
24 exhibits and other explanatory material in respect to both current
25 operations and capital improvements as the governor shall deem to be
26 useful to the legislature. The budget document or documents shall set
27 forth a proposal for expenditures in the ensuing fiscal period, or six-
28 year period where applicable, based upon the estimated revenues and
29 caseloads as approved by the economic and revenue forecast council and
30 caseload forecast council or upon the estimated revenues and caseloads
31 of the office of financial management for those funds, accounts,
32 sources, and programs for which the forecast councils do not prepare an
33 official forecast, including those revenues anticipated to support the
34 six-year programs and financial plans under RCW 44.40.070. In
35 estimating revenues to support financial plans under RCW 44.40.070, the
36 office of financial management shall rely on information and advice
37 from the transportation revenue forecast council. Revenues shall be

1 estimated for such fiscal period from the source and at the rates
2 existing by law at the time of submission of the budget document,
3 including the supplemental budgets submitted in the even-numbered years
4 of a biennium. However, the estimated revenues and caseloads for use
5 in the governor's budget document may be adjusted to reflect budgetary
6 revenue transfers and revenue and caseload estimates dependent upon
7 budgetary assumptions of enrollments, workloads, and caseloads. All
8 adjustments to the approved estimated revenues and caseloads must be
9 set forth in the budget document. The governor may additionally
10 submit, as an appendix to each supplemental, biennial, or six-year
11 agency budget or to the budget document or documents, a proposal for
12 expenditures in the ensuing fiscal period from revenue sources derived
13 from proposed changes in existing statutes.

14 Supplemental and biennial documents shall reflect a six-year
15 expenditure plan consistent with estimated revenues from existing
16 sources and at existing rates for those agencies required to submit
17 six-year program and financial plans under RCW 44.40.070. Any
18 additional revenue resulting from proposed changes to existing statutes
19 shall be separately identified within the document as well as related
20 expenditures for the six-year period.

21 The budget document or documents shall also contain:

22 (a) Revenues classified by fund and source for the immediately past
23 fiscal period, those received or anticipated for the current fiscal
24 period, those anticipated for the ensuing biennium, and those
25 anticipated for the ensuing six-year period to support the six-year
26 programs and financial plans required under RCW 44.40.070;

27 (b) The undesignated fund balance or deficit, by fund;

28 (c) Such additional information dealing with expenditures,
29 revenues, workload, performance, and personnel as the legislature may
30 direct by law or concurrent resolution;

31 (d) Such additional information dealing with revenues and
32 expenditures as the governor shall deem pertinent and useful to the
33 legislature;

34 (e) Tabulations showing expenditures classified by fund, function,
35 activity, and agency. However, documents submitted for the ((2003-05))
36 2005-07 biennial budget request need not show expenditures by activity;

37 (f) A delineation of each agency's activities, including those

1 activities funded from nonbudgeted, nonappropriated sources, including
2 funds maintained outside the state treasury;

3 (g) Identification of all proposed direct expenditures to implement
4 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
5 agency and in total; and

6 (h) Tabulations showing each postretirement adjustment by
7 retirement system established after fiscal year 1991, to include, but
8 not be limited to, estimated total payments made to the end of the
9 previous biennial period, estimated payments for the present biennium,
10 and estimated payments for the ensuing biennium.

11 (2) The budget document or documents shall include detailed
12 estimates of all anticipated revenues applicable to proposed operating
13 or capital expenditures and shall also include all proposed operating
14 or capital expenditures. The total of beginning undesignated fund
15 balance and estimated revenues less working capital and other reserves
16 shall equal or exceed the total of proposed applicable expenditures.
17 The budget document or documents shall further include:

18 (a) Interest, amortization and redemption charges on the state
19 debt;

20 (b) Payments of all reliefs, judgments, and claims;

21 (c) Other statutory expenditures;

22 (d) Expenditures incident to the operation for each agency;

23 (e) Revenues derived from agency operations;

24 (f) Expenditures and revenues shall be given in comparative form
25 showing those incurred or received for the immediately past fiscal
26 period and those anticipated for the current biennium and next ensuing
27 biennium, as well as those required to support the six-year programs
28 and financial plans required under RCW 44.40.070;

29 (g) A showing and explanation of amounts of general fund and other
30 funds obligations for debt service and any transfers of moneys that
31 otherwise would have been available for appropriation;

32 (h) Common school expenditures on a fiscal-year basis;

33 (i) A showing, by agency, of the value and purpose of financing
34 contracts for the lease/purchase or acquisition of personal or real
35 property for the current and ensuing fiscal periods; and

36 (j) A showing and explanation of anticipated amounts of general
37 fund and other funds required to amortize the unfunded actuarial

1 accrued liability of the retirement system specified under chapter
2 41.45 RCW, and the contributions to meet such amortization, stated in
3 total dollars and as a level percentage of total compensation.

4 (3) A separate capital budget document or schedule shall be
5 submitted that will contain the following:

6 (a) A statement setting forth a long-range facilities plan for the
7 state that identifies and includes the highest priority needs within
8 affordable spending levels;

9 (b) A capital program consisting of proposed capital projects for
10 the next biennium and the two biennia succeeding the next biennium
11 consistent with the long-range facilities plan. Inasmuch as is
12 practical, and recognizing emergent needs, the capital program shall
13 reflect the priorities, projects, and spending levels proposed in
14 previously submitted capital budget documents in order to provide a
15 reliable long-range planning tool for the legislature and state
16 agencies;

17 (c) A capital plan consisting of proposed capital spending for at
18 least four biennia succeeding the next biennium;

19 (d) A strategic plan for reducing backlogs of maintenance and
20 repair projects. The plan shall include a prioritized list of specific
21 facility deficiencies and capital projects to address the deficiencies
22 for each agency, cost estimates for each project, a schedule for
23 completing projects over a reasonable period of time, and
24 identification of normal maintenance activities to reduce future
25 backlogs;

26 (e) A statement of the reason or purpose for a project;

27 (f) Verification that a project is consistent with the provisions
28 set forth in chapter 36.70A RCW;

29 (g) A statement about the proposed site, size, and estimated life
30 of the project, if applicable;

31 (h) Estimated total project cost;

32 (i) For major projects valued over five million dollars, estimated
33 costs for the following project components: Acquisition, consultant
34 services, construction, equipment, project management, and other costs
35 included as part of the project. Project component costs shall be
36 displayed in a standard format defined by the office of financial
37 management to allow comparisons between projects;

1 (j) Estimated total project cost for each phase of the project as
2 defined by the office of financial management;

3 (k) Estimated ensuing biennium costs;

4 (l) Estimated costs beyond the ensuing biennium;

5 (m) Estimated construction start and completion dates;

6 (n) Source and type of funds proposed;

7 (o) Estimated ongoing operating budget costs or savings resulting
8 from the project, including staffing and maintenance costs;

9 (p) For any capital appropriation requested for a state agency for
10 the acquisition of land or the capital improvement of land in which the
11 primary purpose of the acquisition or improvement is recreation or
12 wildlife habitat conservation, the capital budget document, or an
13 omnibus list of recreation and habitat acquisitions provided with the
14 governor's budget document, shall identify the projected costs of
15 operation and maintenance for at least the two biennia succeeding the
16 next biennium. Omnibus lists of habitat and recreation land
17 acquisitions shall include individual project cost estimates for
18 operation and maintenance as well as a total for all state projects
19 included in the list. The document shall identify the source of funds
20 from which the operation and maintenance costs are proposed to be
21 funded;

22 (q) Such other information bearing upon capital projects as the
23 governor deems to be useful;

24 (r) Standard terms, including a standard and uniform definition of
25 normal maintenance, for all capital projects;

26 (s) Such other information as the legislature may direct by law or
27 concurrent resolution.

28 For purposes of this subsection (3), the term "capital project"
29 shall be defined subsequent to the analysis, findings, and
30 recommendations of a joint committee comprised of representatives from
31 the house capital appropriations committee, senate ways and means
32 committee, legislative transportation committee, legislative evaluation
33 and accountability program committee, and office of financial
34 management.

35 (4) No change affecting the comparability of agency or program
36 information relating to expenditures, revenues, workload, performance
37 and personnel shall be made in the format of any budget document or
38 report presented to the legislature under this section or RCW

1 43.88.160(1) relative to the format of the budget document or report
2 which was presented to the previous regular session of the legislature
3 during an odd-numbered year without prior legislative concurrence.
4 Prior legislative concurrence shall consist of (a) a favorable majority
5 vote on the proposal by the standing committees on ways and means of
6 both houses if the legislature is in session or (b) a favorable
7 majority vote on the proposal by members of the legislative evaluation
8 and accountability program committee if the legislature is not in
9 session.

10 **Sec. 910.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
11 read as follows:

12 (1) The K-20 technology account is hereby created in the state
13 treasury. The department of information services shall deposit into
14 the account moneys received from legislative appropriations, gifts,
15 grants, and endowments for the buildout and installation of the K-20
16 telecommunication system. The account shall be subject to
17 appropriation and may be expended solely for the K-20 telecommunication
18 system. Disbursements from the account shall be on authorization of
19 the director of the department of information services with approval of
20 the board.

21 (2) During the 2003-2005 biennium, the legislature may transfer
22 moneys from the K-20 technology account to the state general fund such
23 amounts as reflect the excess fund balance of the account.

24 **Sec. 911.** RCW 69.50.520 and 2003 1st sp.s. c 25 s 930 are each
25 amended to read as follows:

26 The violence reduction and drug enforcement account is created in
27 the state treasury. All designated receipts from RCW 9.41.110(8),
28 66.24.210(4), 66.24.290(2), 69.50.505(~~((+i)+(1+))~~) (9)(a), 82.08.150(5),
29 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
30 shall be deposited into the account. Expenditures from the account may
31 be used only for funding services and programs under chapter 271, Laws
32 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
33 incarceration costs. Funds from the account may also be appropriated
34 to reimburse local governments for costs associated with implementing
35 criminal justice legislation including chapter 338, Laws of 1997.
36 During the 2003-2005 biennium, funds from the account may also be used

1 for costs associated with providing grants to local governments in
2 accordance with chapter 338, Laws of 1997, funding drug offender
3 treatment services in accordance with RCW 70.96A.350, maintenance and
4 operating costs of the Washington association of sheriffs and police
5 chiefs jail reporting system, maintenance and operating costs of the
6 juvenile rehabilitation administration's client activity tracking
7 system, civil indigent legal representation, multijurisdictional
8 narcotics task forces, and grants to community networks under chapter
9 70.190 RCW by the family policy council.

10 **Sec. 912.** RCW 74.46.431 and 2001 1st sp.s. c 8 s 5 are each
11 amended to read as follows:

12 (1) Effective July 1, 1999, nursing facility medicaid payment rate
13 allocations shall be facility-specific and shall have seven components:
14 Direct care, therapy care, support services, operations, property,
15 financing allowance, and variable return. The department shall
16 establish and adjust each of these components, as provided in this
17 section and elsewhere in this chapter, for each medicaid nursing
18 facility in this state.

19 (2) All component rate allocations for essential community
20 providers as defined in this chapter shall be based upon a minimum
21 facility occupancy of eighty-five percent of licensed beds, regardless
22 of how many beds are set up or in use. For all facilities other than
23 essential community providers, effective July 1, 2001, component rate
24 allocations in direct care, therapy care, support services, variable
25 return, operations, property, and financing allowance shall continue to
26 be based upon a minimum facility occupancy of eighty-five percent of
27 licensed beds. For all facilities other than essential community
28 providers, effective July 1, 2002, the component rate allocations in
29 operations, property, and financing allowance shall be based upon a
30 minimum facility occupancy of ninety percent of licensed beds,
31 regardless of how many beds are set up or in use.

32 (3) Information and data sources used in determining medicaid
33 payment rate allocations, including formulas, procedures, cost report
34 periods, resident assessment instrument formats, resident assessment
35 methodologies, and resident classification and case mix weighting
36 methodologies, may be substituted or altered from time to time as
37 determined by the department.

1 (4)(a) Direct care component rate allocations shall be established
2 using adjusted cost report data covering at least six months. Adjusted
3 cost report data from 1996 will be used for October 1, 1998, through
4 June 30, 2001, direct care component rate allocations; adjusted cost
5 report data from 1999 will be used for July 1, 2001, through June 30,
6 ((2004)) 2005, direct care component rate allocations.

7 (b) Direct care component rate allocations based on 1996 cost
8 report data shall be adjusted annually for economic trends and
9 conditions by a factor or factors defined in the biennial
10 appropriations act. A different economic trends and conditions
11 adjustment factor or factors may be defined in the biennial
12 appropriations act for facilities whose direct care component rate is
13 set equal to their adjusted June 30, 1998, rate, as provided in RCW
14 74.46.506(5)(i).

15 (c) Direct care component rate allocations based on 1999 cost
16 report data shall be adjusted annually for economic trends and
17 conditions by a factor or factors defined in the biennial
18 appropriations act. A different economic trends and conditions
19 adjustment factor or factors may be defined in the biennial
20 appropriations act for facilities whose direct care component rate is
21 set equal to their adjusted June 30, 1998, rate, as provided in RCW
22 74.46.506(5)(i).

23 (5)(a) Therapy care component rate allocations shall be established
24 using adjusted cost report data covering at least six months. Adjusted
25 cost report data from 1996 will be used for October 1, 1998, through
26 June 30, 2001, therapy care component rate allocations; adjusted cost
27 report data from 1999 will be used for July 1, 2001, through June 30,
28 ((2004)) (2005), therapy care component rate allocations.

29 (b) Therapy care component rate allocations shall be adjusted
30 annually for economic trends and conditions by a factor or factors
31 defined in the biennial appropriations act.

32 (6)(a) Support services component rate allocations shall be
33 established using adjusted cost report data covering at least six
34 months. Adjusted cost report data from 1996 shall be used for October
35 1, 1998, through June 30, 2001, support services component rate
36 allocations; adjusted cost report data from 1999 shall be used for July
37 1, 2001, through June 30, ((2004)) 2005, support services component
38 rate allocations.

1 (b) Support services component rate allocations shall be adjusted
2 annually for economic trends and conditions by a factor or factors
3 defined in the biennial appropriations act.

4 (7)(a) Operations component rate allocations shall be established
5 using adjusted cost report data covering at least six months. Adjusted
6 cost report data from 1996 shall be used for October 1, 1998, through
7 June 30, 2001, operations component rate allocations; adjusted cost
8 report data from 1999 shall be used for July 1, 2001, through June 30,
9 ((2004)) 2005, operations component rate allocations.

10 (b) Operations component rate allocations shall be adjusted
11 annually for economic trends and conditions by a factor or factors
12 defined in the biennial appropriations act.

13 (8) For July 1, 1998, through September 30, 1998, a facility's
14 property and return on investment component rates shall be the
15 facility's June 30, 1998, property and return on investment component
16 rates, without increase. For October 1, 1998, through June 30, 1999,
17 a facility's property and return on investment component rates shall be
18 rebased utilizing 1997 adjusted cost report data covering at least six
19 months of data.

20 (9) Total payment rates under the nursing facility medicaid payment
21 system shall not exceed facility rates charged to the general public
22 for comparable services.

23 (10) Medicaid contractors shall pay to all facility staff a minimum
24 wage of the greater of the state minimum wage or the federal minimum
25 wage.

26 (11) The department shall establish in rule procedures, principles,
27 and conditions for determining component rate allocations for
28 facilities in circumstances not directly addressed by this chapter,
29 including but not limited to: The need to prorate inflation for
30 partial-period cost report data, newly constructed facilities, existing
31 facilities entering the medicaid program for the first time or after a
32 period of absence from the program, existing facilities with expanded
33 new bed capacity, existing medicaid facilities following a change of
34 ownership of the nursing facility business, facilities banking beds or
35 converting beds back into service, facilities temporarily reducing the
36 number of set-up beds during a remodel, facilities having less than six
37 months of either resident assessment, cost report data, or both, under
38 the current contractor prior to rate setting, and other circumstances.

1 (12) The department shall establish in rule procedures, principles,
2 and conditions, including necessary threshold costs, for adjusting
3 rates to reflect capital improvements or new requirements imposed by
4 the department or the federal government. Any such rate adjustments
5 are subject to the provisions of RCW 74.46.421.

6 (13) Effective July 1, 2001, medicaid rates shall continue to be
7 revised downward in all components, in accordance with department
8 rules, for facilities converting banked beds to active service under
9 chapter 70.38 RCW, by using the facility's increased licensed bed
10 capacity to recalculate minimum occupancy for rate setting. However,
11 for facilities other than essential community providers which bank beds
12 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be
13 revised upward, in accordance with department rules, in direct care,
14 therapy care, support services, and variable return components only, by
15 using the facility's decreased licensed bed capacity to recalculate
16 minimum occupancy for rate setting, but no upward revision shall be
17 made to operations, property, or financing allowance component rates.

18 (14) Facilities obtaining a certificate of need or a certificate of
19 need exemption under chapter 70.38 RCW after June 30, 2001, must have
20 a certificate of capital authorization in order for (a) the
21 depreciation resulting from the capitalized addition to be included in
22 calculation of the facility's property component rate allocation; and
23 (b) the net invested funds associated with the capitalized addition to
24 be included in calculation of the facility's financing allowance rate
25 allocation.

26 NEW SECTION. **Sec. 913.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

30 NEW SECTION. **Sec. 914.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and takes effect
33 immediately.

(End of part)

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