
**PROPOSED SENATE 2004
SUPPLEMENTAL BUDGET
(PSSB 6187)**

SENATE CHAIR



SENATE WAYS AND MEANS COMMITTEE
FEBRUARY 23, 2004

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-4913.2/04 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 43.83.020, 43.88.030, 43.105.830, 43.105.835, and 69.50.520; amending
3 2003 1st sp.s. c 25 ss 101, 102, 103, 109, 110, 111, 113, 114, 115,
4 118, 119, 121, 122, 123, 124, 125, 126, 128, 129, 130, 138, 140, 141,
5 135, 143, 146, 147, 148, 150, 151, 201, 202, 203, 204, 205, 206, 207,
6 208, 209, 210, 211, 212, 213, 215, 217, 219, 220, 221, 222, 226, 216,
7 225, 302, 303, 304, 305, 307, 308, 309, 401, 402, 501, 502, 504, 505,
8 506, 507, 509, 510, 511, 512, 513, 514, 515, 516, 517, 602, 603, 604,
9 607, 608, 610, 611, 701, 703, 704, 709, 712, 715, 718, 723, 801, 805,
10 and 806 (uncodified); adding new sections to 2003 1st sp.s. 25
11 (uncodified); adding a new section to chapter 43.180 RCW; and declaring
12 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) \$100,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for the joint legislative audit and review
5 committee to conduct a study of the basic health plan (BHP). Part I of
6 the study shall examine the extent to which BHP policies and procedures
7 promote or discourage the provision of appropriate, high-quality, cost-
8 effective care to BHP enrollees. Issues to be addressed include, but
9 are not limited to, whether: (a) Enrollees are encouraged to engage in
10 wellness activities and receive preventive services; (b) evidence-based
11 treatment strategies are identified and promoted; (c) enrollees are
12 encouraged to use high-quality providers; (d) enrollees with chronic or
13 other high-cost conditions are identified and provided with appropriate
14 interventions; and (e) innovative health care service delivery methods
15 are encouraged. Part I of the study report shall be completed by
16 December 15, 2004. Part II of the study shall examine the
17 characteristics of individuals enrolled in the BHP, and their
18 utilization of health care services, including but not limited to: (i)
19 Enrollee longevity in the BHP; (ii) circumstances that led to BHP
20 enrollment; (iii) how enrollees obtained health care prior to BHP
21 enrollment; (iv) health care coverage of other household members; and
22 (v) service utilization patterns. A part II interim report shall be
23 completed by March 1, 2005, and the final report completed by July 1,
24 2005.

25 (2) \$150,000 of the state general fund appropriation for fiscal
26 year 2005 is provided for a performance audit of the policies and
27 practices of the state wildfire suppression program. Annual fire
28 suppression costs averaged \$11,000,000 for the ten years ending with
29 fiscal year 2001, yet have increased to an average of \$31,000,000 per
30 year for fiscal years 2002, 2003, and 2004. The legislature realizes
31 that overall forest health issues may contribute to some of this
32 increase, but the legislature intends to evaluate the full range of
33 causes for such large increases in fire suppression costs. The
34 performance audit 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 the factors that are contributing to the
38 recent increase in the cost of fire suppression. The 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. The
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 cost allocation among the
9 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 landowners contingency account; and

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

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

18 (3) \$50,000 of the general fund--state appropriation for fiscal
19 year 2005 is provided solely for an evaluation of the Washington
20 assessment of student learning. The joint legislative audit and review
21 committee shall contract for the evaluation. If the Third Engrossed
22 Substitute House Bill No. 2195 (state academic standards) is not
23 enacted by June 30, 2004, the amount provided in this subsection shall
24 lapse.

25 (4) \$125,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for the joint legislative audit and review
27 committee to review the economic impacts of state facilities on local
28 governments. The committee shall consider, but not be limited to, the
29 following factors in its review: Evaluation and comparison of economic
30 benefits and costs of state facilities on local economies and
31 governments and evaluation of a method to measure such costs and
32 benefits on an ongoing basis. Particular attention should be paid to
33 any extraordinary cost impacts on local law enforcement and criminal
34 justice resources. The committee should consider such benefits and
35 costs impacts from state hospitals and state institutions for the
36 developmentally disabled on local economies and governments. In
37 carrying out this review, the committee may develop a sample of both
38 facilities and local communities in assessing these impacts, but such

1 a sample should reflect regional differences within the state. As part
2 of its review, the committee may also assess comparable information
3 from other states regarding the allocation of excess costs between
4 state and local governments for the extraordinary impacts of state
5 facilities. Where appropriate, the committee shall make
6 recommendations for changes in how such costs are calculated and
7 allocated, including recommendations on options for legislative
8 consideration where economic costs from these institutions exceed their
9 economic benefits on local jurisdictions. The committee shall provide
10 a report of this review by December 1, 2005, to the appropriate
11 legislative committees.

12 (5) \$25,000 of general fund--state appropriation for fiscal year
13 2005 is provided solely for a study of the distribution of gambling
14 revenues in Washington and other states. The study shall include, but
15 not necessarily be limited to, a survey of the types of gambling
16 allowed by state, local, and tribal governments; the types of revenues
17 from gambling, such as fees, taxation, and revenue sharing; and the
18 distribution to state, local, and tribal governments of those revenues.
19 The committee shall report the study findings to the appropriate policy
20 and fiscal committees of the legislature no later than December 1,
21 2004.

22 **Sec. 104.** 2003 1st sp.s. c 25 s 109 (uncodified) is amended to
23 read as follows:

24 **FOR THE SUPREME COURT**

25	General Fund--State Appropriation (FY 2004)	((\$5,462,000))
26		<u>\$5,478,000</u>
27	General Fund--State Appropriation (FY 2005)	((\$5,665,000))
28		<u>\$5,764,000</u>
29	TOTAL APPROPRIATION	((\$11,127,000))
30		<u>\$11,242,000</u>

31 **Sec. 105.** 2003 1st sp.s. c 25 s 110 (uncodified) is amended to
32 read as follows:

33 **FOR THE LAW LIBRARY**

34	General Fund--State Appropriation (FY 2004)	((\$2,045,000))
35		<u>\$2,049,000</u>
36	General Fund--State Appropriation (FY 2005)	\$2,050,000

1 TOTAL APPROPRIATION ((~~\$4,095,000~~))
2 \$4,099,000

3 **Sec. 106.** 2003 1st sp.s. c 25 s 111 (uncodified) is amended to
4 read as follows:

5 **FOR THE COURT OF APPEALS**
6 General Fund--State Appropriation (FY 2004) ((~~\$12,510,000~~))
7 \$12,526,000
8 General Fund--State Appropriation (FY 2005) ((~~\$12,747,000~~))
9 \$12,975,000
10 TOTAL APPROPRIATION ((~~\$25,257,000~~))
11 \$25,501,000

12 **Sec. 107.** 2003 1st sp.s. c 25 s 113 (uncodified) is amended to
13 read as follows:

14 **FOR THE ADMINISTRATOR FOR THE COURTS**
15 General Fund--State Appropriation (FY 2004) ((~~\$17,295,000~~))
16 \$17,374,000
17 General Fund--State Appropriation (FY 2005) ((~~\$17,340,000~~))
18 \$18,036,000
19 Public Safety and Education Account--State
20 Appropriation ((~~\$43,389,000~~))
21 \$43,534,000
22 Judicial Information Systems Account--State
23 Appropriation ((~~\$27,903,000~~))
24 \$31,803,000
25 TOTAL APPROPRIATION ((~~\$105,927,000~~))
26 \$110,747,000

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

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

33 (2) \$750,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$750,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for court-appointed special
36 advocates in dependency matters. The administrator for the courts,

1 after consulting with the association of juvenile court administrators
2 and the association of court-appointed special advocate/guardian ad
3 litem programs, shall distribute the funds to volunteer court-appointed
4 special advocate/guardian ad litem programs. The distribution of
5 funding shall be based on the number of children who need volunteer
6 court-appointed special advocate representation and shall be equally
7 accessible to all volunteer court-appointed special advocate/guardian
8 ad litem programs. The administrator for the courts shall not retain
9 more than six percent of total funding to cover administrative or any
10 other agency costs.

11 (3) (~~(\$12,572,000)~~) \$16,172,000 of the judicial information systems
12 account--state appropriation is provided solely for improvements and
13 enhancements to the judicial information system. (~~(This funding shall~~
14 ~~only be expended after the office of the administrator for the courts~~
15 ~~certifies to the office of financial management that there will be at~~
16 ~~least a \$1,000,000 ending fund balance in the judicial information~~
17 ~~systems account at the end of the 2003-05 biennium.)) Of this amount,
18 \$1,100,000 is provided solely for disaster recovery planning,
19 equipment, and testing for the judicial information system.~~

20 (4) \$3,000,000 of the public safety and education account--state
21 appropriation is provided solely for school district petitions to
22 juvenile court for truant students as provided in RCW 28A.225.030 and
23 28A.225.035. The office of the administrator for the courts shall
24 develop an interagency agreement with the office of the superintendent
25 of public instruction to allocate the funding provided in this
26 subsection. Allocation of this money to school districts shall be
27 based on the number of petitions filed.

28 (5) \$13,224,000 of the public safety and education account--state
29 appropriation is provided solely for distribution to county juvenile
30 court administrators to fund the costs of processing truancy, children
31 in need of services, and at-risk youth petitions. The office of the
32 administrator for the courts shall not retain any portion of these
33 funds to cover administrative costs. The office of the administrator
34 for the courts, in conjunction with the juvenile court administrators,
35 shall develop an equitable funding distribution formula. The formula
36 shall neither reward counties with higher than average per-petition
37 processing costs nor shall it penalize counties with lower than average
38 per-petition processing costs.

1 (6) The distributions made under subsection (6) of this section and
2 distributions from the county criminal justice assistance account made
3 pursuant to section 801 of this act constitute appropriate
4 reimbursement for costs for any new programs or increased level of
5 service for purposes of RCW 43.135.060.

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

17 (8) \$813,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$762,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for billing and related costs for
20 the office of the administrator for the courts pursuant to Engrossed
21 Substitute Senate Bill No. 5990 (supervision of offenders).

22 (9) \$1,800,000 of the public safety and education account
23 appropriation is provided solely for distribution to the county clerks
24 for the collection of legal financial obligations pursuant to Engrossed
25 Substitute Senate Bill No. 5990 (supervision of offenders). The
26 funding shall be distributed by the office of the administrator for the
27 courts to the county clerks in accordance with the funding formula
28 determined by the Washington association of county officials pursuant
29 to Engrossed Substitute Senate Bill No. 5990 (supervision of
30 offenders).

31 **Sec. 108.** 2003 1st sp.s. c 25 s 114 (uncodified) is amended to
32 read as follows:

33 **FOR THE OFFICE OF PUBLIC DEFENSE**

34	General Fund--State Appropriation (FY 2004)	\$666,000
35	General Fund--State Appropriation (FY 2005)	\$884,000
36	Public Safety and Education Account--State	
37	Appropriation	((\$12,395,000))

1 \$12,783,000
 2 TOTAL APPROPRIATION (~~(\$13,945,000)~~)
 3 \$14,333,000

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

6 (1) \$51,000 of the public safety and education account
 7 appropriation is provided solely for the office of public defense's
 8 costs in implementing chapter 303, Laws of 1999 (court funding).

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

12 **Sec. 109.** 2003 1st sp.s. c 25 s 115 (uncodified) is amended to
 13 read as follows:

14 **FOR THE OFFICE OF THE GOVERNOR**

15 General Fund--State Appropriation (FY 2004) \$3,773,000
 16 General Fund--State Appropriation (FY 2005) (~~(\$3,776,000)~~)
 17 \$4,011,000
 18 General Fund--Federal Appropriation \$1,140,000
 19 Water Quality Account--State
 20 Appropriation \$3,854,000
 21 TOTAL APPROPRIATION (~~(\$12,543,000)~~)
 22 \$12,778,000

23 The appropriations in this section are subject to the following
 24 conditions and limitations: \$3,854,000 of the water quality account
 25 appropriation and \$1,140,000 of the general fund--federal appropriation
 26 are provided solely for the Puget Sound water quality action team to
 27 implement the Puget Sound work plan and agency action items PSAT-01
 28 through PSAT-05.

29 **Sec. 110.** 2003 1st sp.s. c 25 s 118 (uncodified) is amended to
 30 read as follows:

31 **FOR THE SECRETARY OF STATE**

32 General Fund--State Appropriation (FY 2004) (~~(\$24,336,000)~~)
 33 \$18,298,000
 34 General Fund--State Appropriation (FY 2005) \$17,092,000
 35 General Fund--Federal Appropriation \$6,967,000
 36 Archives and Records Management Account--State

1	Appropriation	((\$8,150,000))
2		<u>\$8,414,000</u>
3	Department of Personnel Service Account--State	
4	Appropriation	\$699,000
5	<u>Election Account--State Appropriation</u>	<u>\$3,140,000</u>
6	Election Account--Federal Appropriation	((\$13,121,000))
7		<u>\$33,121,000</u>
8	Local Government Archives Account--State Appropriation	((\$7,067,000))
9		<u>\$9,010,000</u>
10	TOTAL APPROPRIATION	((\$77,432,000))
11		<u>\$96,741,000</u>

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

14 (1) \$2,296,000 of the general fund--state appropriation for fiscal
15 year 2004 is provided solely to reimburse counties for the state's
16 share of primary and general election costs and the costs of conducting
17 mandatory recounts on state measures. Counties shall be reimbursed
18 only for those odd-year election costs that the secretary of state
19 validates as eligible for reimbursement.

20 (2) \$1,826,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$2,686,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the verification of initiative
23 and referendum petitions, maintenance of related voter registration
24 records, and the publication and distribution of the voters and
25 candidates pamphlet.

26 (3) \$125,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$118,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for legal advertising of state
29 measures under RCW 29.27.072.

30 (4)(a) \$1,944,004 of the general fund--state appropriation for
31 fiscal year 2004 and \$1,986,772 of the general fund--state
32 appropriation for fiscal year 2005 are provided solely for contracting
33 with a nonprofit organization to produce gavel-to-gavel television
34 coverage of state government deliberations and other events of
35 statewide significance during the 2003-05 biennium. The funding level
36 for each year of the contract shall be based on the amount provided in
37 this subsection. The nonprofit organization shall be required to raise
38 contributions or commitments to make contributions, in cash or in kind,

1 in an amount equal to forty percent of the state contribution. The
2 office of the secretary of state may make full or partial payment once
3 all criteria in (a) and (b) of this subsection have been satisfactorily
4 documented.

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

10 (c) The nonprofit organization shall prepare an annual independent
11 audit, an annual financial statement, and an annual report, including
12 benchmarks that measure the success of the nonprofit organization in
13 meeting the intent of the program.

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

16 (i) Attempting to influence the passage or defeat of any
17 legislation by the legislature of the state of Washington, by any
18 county, city, town, or other political subdivision of the state of
19 Washington, or by the congress, or the adoption or rejection of any
20 rule, standard, rate, or other legislative enactment of any state
21 agency;

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

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

25 (5) (~~(\$6,038,000 of the general fund state appropriation for~~
26 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
27 ~~state's share of the cost of conducting the presidential primary.))~~
28 \$252,000 of the archives and records management account--state
29 appropriation and \$1,504,000 of the local government archives account--
30 state appropriation are provided solely for additional facility capital
31 costs, digital archive technology architecture costs, and additional
32 digital archive staff and operational costs, associated with the new
33 eastern regional archives and digital archives facility.

34 (6) The appropriations in this section include funding to implement
35 2004 legislation revising the state's primary election laws.

36 **Sec. 111.** 2003 1st sp.s. c 25 s 119 (uncodified) is amended to
37 read as follows:

1 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

2	General Fund--State Appropriation (FY 2004)	\$228,000
3	General Fund--State Appropriation (FY 2005)	\$239,000
4	TOTAL APPROPRIATION	\$467,000

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

7 **FOR THE STATE TREASURER**

8	State Treasurer's Service Account--State	
9	Appropriation	((\$13,149,000))
10		<u>\$13,463,000</u>

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

13 **FOR THE STATE AUDITOR**

14	General Fund--State Appropriation (FY 2004)	\$701,000
15	General Fund--State Appropriation (FY 2005)	((\$702,000))
16		<u>\$802,000</u>
17	State Auditing Services Revolving Account--State	
18	Appropriation	\$12,810,000
19	TOTAL APPROPRIATION	((\$14,213,000))
20		<u>\$14,313,000</u>

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

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

28 (2) \$701,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$702,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for staff and related costs to
31 verify the accuracy of reported school district data submitted for
32 state funding purposes; conduct school district program audits of state
33 funded public school programs; establish the specific amount of state
34 funding adjustments whenever audit exceptions occur and the amount is
35 not firmly established in the course of regular public school audits;

1 and to assist the state special education safety net committee when
2 requested.

3 (3) \$100,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for a review of emergency fire suppression
5 costs in the department of natural resources. The state auditor's
6 office shall coordinate this study with the joint legislative audit and
7 review committee performance audit of the emergency fire suppression
8 program. The state auditor's review of fire suppression costs shall
9 examine payroll documents and invoices to determine if appropriate
10 controls are in place to ensure that only appropriate emergency fires
11 suppression costs are charged to the emergency fire suppression budget.

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

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

15	General Fund--State Appropriation (FY 2004)	((\$83,000))
16		<u>\$112,000</u>
17	General Fund--State Appropriation (FY 2005)	((\$157,000))
18		<u>\$192,000</u>
19	TOTAL APPROPRIATION	((\$240,000))
20		<u>\$304,000</u>

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

23 **FOR THE ATTORNEY GENERAL**

24	General Fund--State Appropriation (FY 2004)	((\$4,057,000))
25		<u>\$4,345,000</u>
26	General Fund--State Appropriation (FY 2005)	((\$4,109,000))
27		<u>\$4,166,000</u>
28	General Fund--Federal Appropriation	\$2,845,000
29	Public Safety and Education Account--State	
30	Appropriation	\$1,814,000
31	Tobacco Prevention and Control Account--State	
32	Appropriation	\$270,000
33	New Motor Vehicle Arbitration Account--State	
34	Appropriation	\$1,180,000
35	Legal Services Revolving Account--State	
36	Appropriation	((\$165,275,000))

1 \$167,497,000
 2 TOTAL APPROPRIATION (~~(\$179,550,000)~~)
 3 \$182,117,000

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

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

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

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

19 **FOR THE CASELOAD FORECAST COUNCIL**
 20 General Fund--State Appropriation (FY 2004) \$638,000
 21 General Fund--State Appropriation (FY 2005) (~~(\$639,000)~~)
 22 \$701,000
 23 TOTAL APPROPRIATION (~~(\$1,277,000)~~)
 24 \$1,339,000

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

27 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**
 28 General Fund--State Appropriation (FY 2004) (~~(\$61,459,000)~~)
 29 \$61,968,000
 30 General Fund--State Appropriation (FY 2005) (~~(\$60,801,000)~~)
 31 \$61,979,000
 32 General Fund--Federal Appropriation (~~(\$213,287,000)~~)
 33 \$235,538,000
 34 General Fund--Private/Local Appropriation (~~(\$10,574,000)~~)
 35 \$15,066,000
 36 Public Safety and Education Account--State

1	Appropriation	\$10,095,000
2	Public Works Assistance Account--State	
3	Appropriation	((\$1,913,000))
4		<u>\$2,088,000</u>
5	Building Code Council Account--State	
6	Appropriation	\$1,061,000
7	Administrative Contingency Account--State	
8	Appropriation	\$1,776,000
9	Low-Income Weatherization Assistance Account--State	
10	Appropriation	((\$3,293,000))
11		<u>\$8,293,000</u>
12	Violence Reduction and Drug Enforcement Account--	
13	State Appropriation	\$9,013,000
14	Manufactured Home Installation Training Account--	
15	State Appropriation	\$256,000
16	Community Economic Development Account--	
17	State Appropriation	((\$1,909,000))
18		<u>\$1,581,000</u>
19	Washington Housing Trust Account--State	
20	Appropriation	\$16,740,000
21	Public Facility Construction Loan Revolving	
22	Account--State Appropriation	\$622,000
23	Lead Paint Account--State Appropriation	\$6,000
24	<u>Developmental Disabilities Endowment Trust Fund--</u>	
25	<u>State Appropriation</u>	<u>\$120,000</u>
26	TOTAL APPROPRIATION	((\$392,805,000))
27		<u>\$426,202,000</u>

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

30 (1) \$2,838,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$2,838,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for a contract with the Washington
33 technology center. For work essential to the mission of the Washington
34 technology center and conducted in partnership with universities, the
35 center shall not pay any increased indirect rate nor increases in other
36 indirect charges above the absolute amount paid during the 1995-97
37 fiscal biennium.

1 (2) \$61,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$62,000 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 OCD-01.

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (m) \$804,228 to the department for required grant administration,
38 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. In
20 administering new and existing funding for the business retention and
21 expansion program, the department of community, trade, and economic
22 development shall ensure the program is funded at levels that meet or
23 exceed the funding provided in the 2001-2003 biennium.

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

31 (13) \$200,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$200,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for business development
34 activities to conduct statewide and/or regional business recruitment
35 and client lead generation services. In administering this funding,
36 the department of community, trade, and economic development shall
37 solicit recommendations from a statewide economic development
38 organization representing associate development organizations.

1 (14) \$60,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$60,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the community services block
4 grant program for pass-through to community action agencies.

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

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

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

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

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

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

1 state. Repayments of loans granted under this chapter shall be made to
2 the lender or contract collection agent as long as the loan is
3 outstanding, notwithstanding the repeal of the chapter.

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

7 (22) \$10,208,818 of the general fund--federal appropriation is
8 provided solely for the drug control and system improvement formula
9 grant program, to be distributed in state fiscal year 2005 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (23) \$75,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$425,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the purpose of grants to
18 support the base realignment and closure commission process. The
19 department shall develop and implement criteria and procedures such as
20 the types of activities that can be funded by the grants and
21 requirements for local matching funds for the issuance of grants to one
22 organization within: Island county, Kitsap county, Pierce county,
23 Snohomish county, and Spokane county. The department shall use a
24 portion of the funding provided to support the related activities of
25 state agencies as identified by the governor.

26 (24) \$163,000 of the general fund--state appropriation for fiscal
27 year 2005 is provided to the department of community, trade, and
28 economic development for pass through to community voice mail agencies
29 as identified in this subsection, in order for these agencies to
30 provide people in crisis and transition free and personalized voice
31 mail services:

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

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

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

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

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

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

38 (g) Community Voice Mail National, Olympia, \$18,000;

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

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

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

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State

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

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

FOR THE DEPARTMENT OF PERSONNEL

Department of Personnel Service Account--State

Appropriation \$16,247,000

Higher Education Personnel Services Account--State

Appropriation \$1,612,000

1 TOTAL APPROPRIATION \$17,859,000

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

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

26 (2) The department shall coordinate with the governor's office of
27 Indian affairs on providing one-day government to government training
28 sessions for federal, state, local, and tribal government employees.
29 The training sessions must cover tribal historical perspectives, legal
30 issues, tribal sovereignty, and tribal governments. Costs of the
31 training sessions shall be recouped through a fee charged to the
32 participants of each session.

33 **Sec. 121.** 2003 1st sp.s. c 25 s 138 (uncodified) is amended to
34 read as follows:

35 **FOR THE BOARD OF TAX APPEALS**

36 General Fund--State Appropriation (FY 2004) \$1,141,000
37 General Fund--State Appropriation (FY 2005) ((~~\$988,000~~))

1 \$1,078,000
 2 TOTAL APPROPRIATION ((~~\$2,129,000~~)
 3 \$2,219,000

4 **Sec. 122.** 2003 1st sp.s. c 25 s 140 (uncodified) is amended to
 5 read as follows:

6 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**
 7 OMWBE Enterprises Account--State
 8 Appropriation \$1,990,000

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

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

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

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

21 **Sec. 123.** 2003 1st sp.s. c 25 s 141 (uncodified) is amended to
 22 read as follows:

23 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**
 24 General Fund--State Appropriation (FY 2004) ((~~\$193,000~~)
 25 \$235,000
 26 General Fund--State Appropriation (FY 2005) ((~~\$275,000~~)
 27 \$233,000
 28 General Fund--Federal Appropriation ((~~\$3,215,000~~)
 29 \$3,865,000
 30 General Administration Services Account--State
 31 Appropriation ((~~\$38,086,000~~)
 32 \$38,856,000
 33 TOTAL APPROPRIATION ((~~\$41,769,000~~)
 34 \$43,189,000

1 **Sec. 124.** 2003 1st sp.s. c 25 s 135 (uncodified) is amended to
2 read as follows:

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

4 Dependent Care Administrative Account--State

5 Appropriation	\$384,000
6 Department of Retirement Systems Expense Account--	
7 State Appropriation	((\$44,485,000))
8	<u>\$44,899,000</u>
9 TOTAL APPROPRIATION	((\$44,869,000))
10	<u>\$45,283,000</u>

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

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

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

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

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

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

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

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

1 (8) \$324,000 of the department of retirement systems expense
2 account--state appropriation is provided solely to implement Substitute
3 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

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

8 (10) \$98,000 of the department of retirement systems expense
9 account--state appropriation is provided solely to implement Senate
10 Bill No. 6247 (retirement vesting). If the bill is not enacted by June
11 30, 2004, the amount provided in this subsection shall lapse.

12 (11) \$128,000 of the department of retirement systems expense
13 account--state appropriation is provided solely to implement Substitute
14 Senate Bill No. 6253 (minimum monthly retirement). If the bill is not
15 enacted by June 30, 2004, the amount provided in this subsection shall
16 lapse.

17 (12) \$188,000 of the department of retirement systems expense
18 account--state appropriation is provided solely to implement Senate
19 Bill No. 6279 (LEOFF disabled members). If the bill is not enacted by
20 June 30, 2004, the amount provided in this subsection shall lapse.

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

23 **FOR THE INSURANCE COMMISSIONER**

24	General Fund--Federal Appropriation	\$631,000
25	Insurance Commissioners Regulatory Account--State	
26	Appropriation	((32,307,000))
27		<u>\$33,009,000</u>
28	TOTAL APPROPRIATION	((32,938,000))
29		<u>\$33,640,000</u>

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

32 **FOR THE HORSE RACING COMMISSION**

33	Horse Racing Commission Account--State	
34	Appropriation	\$4,609,000

35 The appropriation in this section is subject to the following

1 conditions and limitations: During fiscal year 2005, the commission
2 may increase license fees in excess of the fiscal growth factor as
3 provided in RCW 43.135.055.

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

6 **FOR THE LIQUOR CONTROL BOARD**

7	General Fund--State Appropriation (FY 2004)	\$1,454,000
8	General Fund--State Appropriation (FY 2005)	\$1,455,000
9	Liquor Control Board Construction and Maintenance	
10	Account--State Appropriation	\$5,717,000
11	Liquor Revolving Account--State	
12	Appropriation	((\$133,842,000))
13		<u>\$134,918,000</u>
14	TOTAL APPROPRIATION	((\$142,468,000))
15		<u>\$143,544,000</u>

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

18 (1) \$2,000,000 of the liquor revolving account appropriation is
19 provided solely for the costs associated with (~~the completion of~~) the
20 merchandising business system, with priority placed on the point-of-
21 sale component of the system. Actual expenditures are limited to the
22 balance of funds remaining from the \$4,803,000 appropriation provided
23 for the merchandise business system in the 2001-03 budget.

24 (2) \$1,309,000 of the liquor revolving account appropriation is
25 provided solely for the costs associated with (~~purchasing merchandise~~
26 ~~business system software and hardware related items, and hiring system-~~
27 ~~related staff~~) the merchandising business system solution, with
28 priority placed on the point-of-sale component of the system. These
29 costs include hiring system-related staff and procuring system-related
30 hardware and software.

31 (3) As required under RCW 66.16.010, the liquor control board shall
32 add an equivalent surcharge of \$0.42 per liter on all retail sales of
33 spirits, excluding licensee, military and tribal sales, effective no
34 later than September 1, 2003. The intent of this surcharge is to raise
35 \$14,000,000 in additional revenue for the 2003-05 biennium. To the
36 extent that a lesser surcharge is sufficient to raise \$14,000,000, the

1 board may reduce the amount of the surcharge. The board shall remove
2 the surcharge once it generates \$14,000,000, but no later than June 30,
3 2005.

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

6 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

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

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

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

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

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

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

35 **FOR THE MILITARY DEPARTMENT**

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

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

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

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

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

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

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

24 (4) \$200,000 of the general fund--state appropriation for fiscal
25 year 2004, \$200,000 of the general fund--state appropriation for fiscal
26 year 2005, and (~~(\$43,555,000)~~) \$105,952,000 of the general fund--
27 federal appropriation are provided solely for homeland security, to be
28 distributed as follows:

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

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

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

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

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

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

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

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

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

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

34 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

35	General Fund--State Appropriation (FY 2004)	\$2,362,000
36	General Fund--State Appropriation (FY 2005)	((\$2,436,000))
37		<u>\$2,396,000</u>

1 Department of Personnel Service Account--State
 2 Appropriation \$2,542,000
 3 TOTAL APPROPRIATION ((~~\$7,340,000~~))
 4 \$7,300,000

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

11 NEW SECTION. Sec. 131. A new section is added to 2003 1st sp.s.
 12 c 25 (uncodified) to read as follows:

13 **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**
 14 General Fund--State Appropriation (FY 2005) \$613,000
 15 General Fund--Federal Appropriation \$726,000
 16 General Fund--Private/Local Appropriation \$9,000
 17 TOTAL APPROPRIATION \$1,348,000

18 The appropriations in this section are subject to the following
 19 conditions and limitations: If Substitute Senate Bill No. 6243 is not
 20 enacted by June 30, 2004, the appropriations in this section shall
 21 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.

14 (4) After consultation and coordination with local elected
15 officials and community groups to assure there is no degradation in
16 existing services, and no sooner than April 2005, the department is
17 authorized to develop an integrated health care program designed to
18 slow the progression of illness and disability and better manage
19 Medicaid expenditures for the aged and disabled population. Under this
20 Washington medicaid integration partnership (WMIP) the department may
21 combine and transfer such Medicaid funds appropriated under sections
22 204, 206, 208, and 209 of this act as may be necessary to finance a
23 unified health care plan for the WMIP program enrollment. The WMIP
24 pilot projects shall not exceed a daily enrollment of 6,000 persons
25 during the 2003-05 biennium. The amount of funding assigned to the
26 pilot projects from each program may not exceed the average per capita
27 cost assumed in this act for individuals covered by that program,
28 actuarially adjusted for the health condition of persons enrolled in
29 the pilot, times the number of clients enrolled in the pilot. In
30 implementing the WMIP pilot projects, the department may: (a) Withhold
31 from calculations of "available resources" as set forth in RCW
32 71.24.025 a sum equal to the capitated rate for individuals enrolled in
33 the pilots; and (b) employ capitation financing and risk-sharing
34 arrangements in collaboration with health care service contractors
35 licensed by the office of the insurance commissioner and qualified to
36 participate in both the medicaid and medicare programs. The department
37 shall conduct an evaluation of the WMIP, measuring changes in

1 participant health outcomes, changes in patterns of service
2 utilization, participant satisfaction, participant access to services,
3 and the state fiscal impact.

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

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

8	General Fund--State Appropriation (FY 2004)	((\$231,566,000))
9		<u>\$219,294,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$232,468,000))
11		<u>\$229,148,000</u>
12	General Fund--Federal Appropriation	((\$416,043,000))
13		<u>\$422,639,000</u>
14	General Fund--Private/Local Appropriation	\$400,000
15	Public Safety and Education Account--	
16	State Appropriation	((\$23,920,000))
17		<u>\$21,488,000</u>
18	Violence Reduction and Drug Enforcement Account--	
19	State Appropriation	((\$5,640,000))
20		<u>\$1,488,000</u>
21	TOTAL APPROPRIATION	((\$910,037,000))
22		<u>\$894,457,000</u>

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

25 (1) \$2,271,000 of the fiscal year 2004 general fund--state
26 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
27 appropriation, and \$1,584,000 of the general fund--federal
28 appropriation are provided solely for the category of services titled
29 "intensive family preservation services."

30 (2) \$701,000 of the general fund--state fiscal year 2004
31 appropriation and \$701,000 of the general fund--state fiscal year 2005
32 appropriation are provided to contract for the operation of one
33 pediatric interim care facility. The facility shall provide
34 residential care for up to thirteen children through two years of age.
35 Seventy-five percent of the children served by the facility must be in
36 need of special care as a result of substance abuse by their mothers.
37 The facility shall also provide on-site training to biological,

1 adoptive, or foster parents. The facility shall provide at least three
2 months of consultation and support to parents accepting placement of
3 children from the facility. The facility may recruit new and current
4 foster and adoptive parents for infants served by the facility. The
5 department shall not require case management as a condition of the
6 contract.

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

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

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

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

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

1 (8) \$2,000,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for domestic violence services, including
3 \$65,000 for domestic violence shelter operating costs in Shelton.

4 (9) \$1,000,000 of the general fund--state appropriation for fiscal
5 year 2005 and \$300,000 of the general fund--federal appropriation are
6 provided solely to implement the program improvement plan, including
7 family case conference facilitators.

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

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

12	General Fund--State Appropriation (FY 2004)	((\$74,095,000))
13		<u>\$73,482,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$72,697,000))
15		<u>\$71,689,000</u>
16	General Fund--Federal Appropriation	((\$12,062,000))
17		<u>\$11,752,000</u>
18	General Fund--Private/Local Appropriation	\$1,098,000
19	Juvenile Accountability Incentive	
20	Account--Federal Appropriation	((\$9,139,000))
21		<u>\$7,300,000</u>
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation	((\$37,338,000))
24		<u>\$37,699,000</u>
25	TOTAL APPROPRIATION	((\$206,429,000))
26		<u>\$203,020,000</u>

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

29 (1) \$695,000 of the violence reduction and drug enforcement account
30 appropriation is provided solely for deposit in the county criminal
31 justice assistance account for costs to the criminal justice system
32 associated with the implementation of chapter 338, Laws of 1997
33 (juvenile code revisions). The amounts provided in this subsection are
34 intended to provide funding for county adult court costs associated
35 with the implementation of chapter 338, Laws of 1997 and shall be
36 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))~~ (7) \$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))~~ (8) \$900,000 of the general fund--state appropriation for
6 fiscal year 2004 and \$900,000 of the general fund--state appropriation
7 for fiscal year 2005 are provided solely for the continued
8 implementation of the juvenile violence prevention grant program
9 established in section 204, chapter 309, Laws of 1999.

10 ~~((+11))~~ (9) 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))~~ (10) \$158,000 of the general fund--state
38 appropriation for fiscal year 2004 and ~~((+14) \$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))~~ (11) \$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))
30		<u>\$200,251,000</u>
31	General Fund--State Appropriation (FY 2005)	((\$211,317,000))
32		<u>\$213,832,000</u>
33	General Fund--Federal Appropriation	((\$384,801,000))
34		<u>\$405,386,000</u>
35	General Fund--Local Appropriation	\$1,970,000
36	TOTAL APPROPRIATION	((\$807,906,000))
37		<u>\$821,439,000</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) \$124,000 of the general fund--state appropriation for fiscal
8 year 2005 is provided solely for implementation of Senate Bill No. 6358
9 (treatment orders). If Senate Bill No. 6358 is not enacted by June 30,
10 2004, the amount provided in this subsection shall lapse.

11 (3) CIVIL COMMITMENT

12	General Fund--State Appropriation (FY 2004)	((\$28,695,000))
13		<u>\$29,194,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$32,081,000))
15		<u>\$34,400,000</u>
16	TOTAL APPROPRIATION	((\$60,776,000))
17		<u>\$63,594,000</u>

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

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

25 ~~(b))~~ \$300,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$300,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for public safety mitigation
28 funding for jurisdictions affected by the placement of ~~((less~~
29 ~~restrictive alternative facilities for persons conditionally released~~
30 ~~from the special commitment center facility being constructed))~~ the
31 secure community transition facility on McNeil Island. Of this amount,
32 \$45,000 per year shall be provided to the city of Lakewood on September
33 1, 2003, and September 1, 2004, for police protection ~~((reimbursement))~~
34 services provided by the city at Western State Hospital and adjacent
35 areas ~~((; up to \$45,000 per year shall be provided on September 1, 2003,~~
36 ~~and September 1, 2004, for training police personnel under chapter 12,~~
37 ~~Laws of 2001, 2nd sp. sess. (3ESSB 6151); up to \$125,000 per year shall~~
38 ~~be provided to Pierce county on September 1, 2003, and September 1,~~

1 ~~2004, for reimbursement of additional costs; and the remaining amounts~~
2 ~~are for other documented costs by jurisdictions directly impacted by~~
3 ~~the placement of the secure community transition facility on McNeil~~
4 ~~Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB~~
5 ~~6151), the department shall continue to work with local jurisdictions~~
6 ~~towards reaching agreement for mitigation costs)). Of the remaining~~
7 ~~\$255,000 per year, the department shall reimburse the affected~~
8 ~~jurisdictions for their documented costs that have been negotiated in~~
9 ~~an interagency agreement between the department and each jurisdiction,~~
10 ~~as follows:~~

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

13 (ii) Up to \$45,000 per year shall be provided to affected
14 jurisdictions other than Pierce county for the costs of training their
15 law enforcement and administrative personnel as defined in RCW
16 71.09.344(2)(a).

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

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

28 (b) \$4,000 of the general fund--state appropriation for fiscal year
29 2004 and \$354,000 of the general fund--state appropriation for fiscal
30 year 2005 are provided solely for mitigation costs associated with the
31 development and occupancy of the secure community transition facility
32 in Seattle, as described in the settlement agreement dated February 3,
33 2004, between the department and the city of Seattle. If *City of*
34 *Seattle v. DSHS*, King County Superior Court Cause No. 03-2-37882-SEA is
35 not dismissed with prejudice by July 1, 2004, this appropriation shall
36 lapse. If the proceeding requested by the city under RCW 71.09.342(5)
37 is not withdrawn or dismissed with prejudice by July 1, 2004, this
38 appropriation shall lapse.

1 the federal poverty level who are employed through state contracts for
2 twenty hours per week or more. Premium payments for individual
3 provider home care workers shall be made only to the subsidized basic
4 health plan. Home care agencies may obtain coverage either through the
5 basic health plan or through an alternative plan with substantially
6 equivalent benefits.

7 (c) (~~(\$510,000)~~) \$562,000 of the general fund--state appropriation
8 for fiscal year 2004, (~~(\$784,000)~~) \$1,767,000 of the general fund--
9 state appropriation for fiscal year 2005, and (~~(\$1,225,000)~~) \$2,266,000
10 of the general fund--federal appropriation are provided solely for
11 community residential and support services. Funding in this subsection
12 shall be prioritized for (i) residents of residential habilitation
13 centers who are able to be adequately cared for in community settings
14 and who choose to live in those community settings; and (ii) clients
15 without residential services who are at immediate risk of
16 institutionalization or in crisis, and for eligible children aging out
17 of other services. The department shall ensure that the average cost
18 per day for all program services other than start-up costs shall not
19 exceed \$300. The department shall electronically report to the
20 appropriate committees of the legislature, within 45 days following
21 each fiscal year quarter, the number of residents moving into community
22 settings and the actual expenditures for all community services to
23 support those residents. In addition, sufficient funding is provided
24 for additional waiver services added prior to March 2004 as a result of
25 the federal review of the waiver program. The department shall
26 implement the four new waiver categories such that decisions about
27 enrollment levels and the amount, duration, and scope of services
28 maintain expenditures within appropriations. The department shall
29 report by October 1, 2004, monthly caseload and expenditure information
30 related to the implementation of the new waivers, including the shift
31 of personal care into the waiver services, the number of clients
32 enrolled in each waiver, the number of clients transferred between
33 waivers, and the actual-to-projected expenditures.

34 (d) (~~(\$511,000)~~) \$563,000 of the general fund--state appropriation
35 for fiscal year 2004, (~~(\$616,000)~~) \$1,390,000 of the general fund--
36 state appropriation for fiscal year 2005, and (~~(\$1,073,000)~~) \$1,905,000
37 of the general fund--federal appropriation are provided solely for
38 expanded community services for persons with developmental disabilities

1 who also have community protection issues or are diverted or discharged
2 from state psychiatric hospitals or who are released from mentally ill
3 offender beds. The department shall ensure that the average cost per
4 day for all program services other than average start-up costs shall
5 not exceed \$300. The department shall electronically report to the
6 appropriate committees of the legislature, within 45 days following
7 each fiscal year quarter, the number of persons served with these
8 additional community services, where they were residing, what kinds of
9 services they were receiving prior to placement, and the actual
10 expenditures for all community services to support these clients.

11 (e) The department may transfer funding provided in this subsection
12 to meet the purposes of subsection (2) of this section to the extent
13 that fewer residents of residential habilitation centers choose to move
14 to community placements than was assumed in this appropriation.

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

23 (g) \$355,000 of the general fund--state appropriation for fiscal
24 year 2004, \$517,000 of the general fund--state appropriation for fiscal
25 year 2005, and \$848,000 of the general fund--federal appropriation are
26 provided solely to increase payments to agency home care providers from
27 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
28 amounts in this subsection shall be used to increase wages for direct
29 care workers by 75 cents per hour. The amounts in this subsection also
30 include the funds needed for the employer share of unemployment and
31 social security taxes on the amount of the increase.

32 (h) \$1,000,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely for expanding the number of nonwaiver
34 individuals served by employment and day programs, with priority given
35 to youth who transition from high school.

36 (i) \$700,000 of the general fund--state appropriation for fiscal
37 year 2005 and \$651,000 of the general fund--federal appropriation are
38 provided solely to increase payments to agency homecare providers from

1 \$14.27 per hour to \$14.83 per hour, effective October 1, 2004. The
 2 amounts in this subsection shall be used to increase wages for direct
 3 care workers by 50 cents per hour. The amounts in this subsection also
 4 include the funds needed for the employer share of unemployment and
 5 social security taxes on the amount of the increase.

6 (2) INSTITUTIONAL SERVICES

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

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

22 (3) PROGRAM SUPPORT

23	General Fund--State Appropriation (FY 2004)	((\$2,245,000))
24		<u>\$2,474,000</u>
25	General Fund--State Appropriation (FY 2005)	((\$2,245,000))
26		<u>\$3,208,000</u>
27	General Fund--Federal Appropriation	((\$2,965,000))
28		<u>\$4,214,000</u>
29	Telecommunications Devices for the Hearing and	
30	Speech Impaired Account Appropriation	((\$1,782,000))
31		<u>\$891,000</u>
32	TOTAL APPROPRIATION	((\$9,237,000))
33		<u>\$10,787,000</u>

34 (4) SPECIAL PROJECTS

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

1 economic trends and conditions by 3.0 percent effective July 1, 2003,
2 and by an additional 1.9 percent effective July 1, 2004. \$5,661,000 of
3 the general fund--state appropriation for fiscal year 2005 and
4 \$5,619,000 of the general fund--federal appropriation for fiscal year
5 2005 are provided solely for the July 1, 2004, rate increase.

6 (4) Effective May 1, 2004, for all facilities, the direct care,
7 therapy care, support services, and operations component rates
8 established in accordance with chapter 74.46 RCW shall be increased by
9 an additional economic trends and conditions adjustment factor. This
10 additional economic trends and conditions adjustment factor shall apply
11 only to rates paid for services provided in May and June 2004. The
12 adjustment factor shall be the percentage increase the department
13 estimates is sufficient to expend all the funds provided in this
14 subsection. \$5,473,000 of the general fund--state appropriation for
15 fiscal year 2004 and \$6,067,000 of the general fund--federal
16 appropriation for fiscal year 2004 are provided solely for the
17 additional economic trends and conditions adjustment.

18 ~~((4))~~ (5) In accordance with chapter 74.46 RCW, the department
19 shall issue certificates of capital authorization that result in up to
20 \$32 million of increased asset value completed and ready for occupancy
21 in fiscal year 2004; up to \$32 million of increased asset value
22 completed and ready for occupancy in fiscal year 2005; and up to \$32
23 million of increased asset value completed and ready for occupancy in
24 fiscal year 2006.

25 ~~((5))~~ (6) Adult day health services shall not be considered a
26 duplication of services for persons receiving care in long-term care
27 settings licensed under chapter 18.20, 72.36, or 70.128 RCW.

28 ~~((6))~~ (7) In accordance with chapter 74.39 RCW, the department
29 may implement ~~((a))~~ two ~~medicaid waiver programs~~ for persons who do not
30 qualify for such services as categorically needy, subject to federal
31 approval and the following conditions and limitations:

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

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

1 (c) The department shall identify the number of medically needy
2 nursing home residents, and enrollment and expenditures on the
3 medically needy waiver, on monthly management reports.

4 ~~((+e))~~ (d) The department shall track and electronically report to
5 health care and fiscal committees of the legislature by November 15,
6 2004, on the types of long-term care support a sample of waiver
7 participants were receiving prior to their enrollment in the waiver,
8 how those services were being paid for, and an assessment of their
9 adequacy.

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

14 ~~((+7))~~ (8) \$118,000 of the general fund--state appropriation for
15 fiscal year 2004, \$118,000 of the general fund--state appropriation for
16 fiscal year 2005, and \$236,000 of the general fund--federal
17 appropriation are provided solely for the department to assess at least
18 annually each elderly resident residing in residential habilitation
19 centers and state-operated living alternatives to determine if the
20 resident can be more appropriately served in a less restrictive
21 setting.

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

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

30 (c) The appropriate interdisciplinary team shall conduct the
31 evaluation.

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

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

36 ~~((+8))~~ (9) Within funds appropriated in this section, the
37 department may assess nursing facility residents with Alzheimer's
38 disease or related dementias to determine whether such residents can be

1 more appropriately served in licensed boarding home facilities that
2 specialize in caring for such conditions. The department may, based
3 upon the assessments and within existing funds, pay dementia pilot
4 project rates on behalf of up to 200 additional persons with
5 Alzheimer's disease or related dementias who move from nursing
6 facilities to specialized boarding homes.

7 ~~((+9))~~ (10) The department shall establish waiting lists to the
8 extent necessary to assure that annual expenditures on the community
9 options program entry systems (COPES) program do not exceed
10 appropriated levels. In establishing and managing any such waiting
11 list, the department shall assure priority access to persons with the
12 greatest unmet needs, as determined by department assessment processes.

13 ~~((+10))~~ (11) \$7,102,000 of the general fund--state appropriation
14 for fiscal year 2004, \$10,065,000 of the general fund--state
15 appropriation for fiscal year 2005, and \$17,029,000 of the general
16 fund--federal appropriation are provided solely for the purpose of
17 providing a wage increase effective October 1, 2003, for individual
18 home care workers providing state-funded services. The amounts in this
19 subsection also include the funds needed for the employer share of
20 unemployment and social security taxes on the amount of the increase.

21 ~~((+11))~~ (12) \$2,219,000 of the general fund--state appropriation
22 for fiscal year 2004, \$3,192,000 of the general fund--state
23 appropriation for fiscal year 2005, and \$5,263,000 of the general
24 fund--federal appropriation are provided solely to increase payments to
25 agency home care providers from \$13.44 per hour to \$14.27 per hour
26 effective October 1, 2003. The amounts in this subsection shall be
27 used to increase wages for direct care workers by 75 cents per hour.
28 The amounts in this subsection also include the funds needed for the
29 employer share of unemployment and social security taxes on the amount
30 of the increase.

31 (13) \$1,656,000 of the general fund--state appropriation for fiscal
32 year 2005 and \$1,647,000 of the general fund--federal appropriation are
33 provided solely to increase payments to agency homecare providers from
34 \$14.27 per hour to \$14.83 per hour, effective October 1, 2004. The
35 amounts in this subsection shall be used to increase wages for direct
36 care workers by 50 cents per hour. The amounts in this subsection also
37 include the funds needed for the employer share of unemployment and
38 social security taxes on the amount of the increase.

1 (2) (~~(\$45,639,000)~~) \$57,547,000 of the general fund--state
2 appropriation for fiscal year 2004 and (~~(\$39,335,000)~~) \$52,570,000 of
3 the general fund--state appropriation for fiscal year 2005 are provided
4 solely for cash assistance and other services to recipients in the
5 general assistance--unemployable program. Within these amounts, the
6 department may expend funds for services that assist recipients to
7 reduce their dependence on public assistance, provided that
8 expenditures for these services and cash assistance do not exceed the
9 funds provided.

10 (3) (~~(\$1,436,000)~~) \$936,000 of the general fund--state
11 appropriation for fiscal year 2004 and (~~(\$1,436,000)~~) \$936,000 of the
12 general fund--state appropriation for fiscal year 2005 are provided for
13 the department to assist in naturalization efforts for legal aliens
14 whose eligibility for federal supplemental security income has expired.
15 The department shall use funding previously spent on general assistance
16 employment supports for these naturalization services.

17 (4) \$3,940,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$3,940,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the food assistance program
20 for legal immigrants. The level of benefits shall be equivalent to the
21 benefits provided by the federal food stamp program.

22 (5) \$9,142,000 of the general fund--federal appropriation is
23 provided solely for increased reimbursement of county legal-clerk
24 services for child support enforcement. The department shall ensure
25 this increase in cost does not reduce federal incentive payments.

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

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

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
36 **ABUSE PROGRAM**

37 General Fund--State Appropriation (FY 2004) (~~(\$40,320,000)~~)

1 (ii) a monthly premium equal to 5 percent of all unearned income, plus
2 5 percent of all earned income after disregarding the first sixty-five
3 dollars of monthly earnings, and half the remainder;

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

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

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

13 (6) Sufficient funds are appropriated in this section for the
14 department to provide an adult dental benefit equivalent to
15 approximately 75 percent of the dental benefit provided during the
16 2001-03 biennium. The department shall establish the scope of services
17 to be provided within the available funds in consultation with dental
18 providers and consumer representatives.

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

22 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,953,000
23 of the fiscal year 2004 health services account appropriation,
24 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services
25 account appropriation, and (~~(\$87,074,000)~~) \$61,037,000 of the general
26 fund--federal appropriation are provided solely for supplemental
27 payments to nursing homes operated by rural public hospital districts.
28 The payments shall be conditioned upon (a) a contractual commitment by
29 the association of public hospital districts and participating rural
30 public hospital districts to make an intergovernmental transfer to the
31 state treasurer, for deposit into the health services account, equal to
32 at least (~~(94.5)~~) 91.9 percent of the supplemental payments; (b) a
33 contractual commitment by the association of public hospital districts
34 to return at least (~~(5.5)~~) 8.1 percent of the supplemental payments to
35 the participating rural hospital districts; and (c) a contractual
36 commitment by the participating districts to not allow expenditures
37 covered by the supplemental payments to be used for medicaid nursing
38 home rate setting. A hospital which does not participate in the

1 supplemental payment intergovernmental transfer budgeted for fiscal
2 year 2003 shall not be eligible to participate in the supplemental
3 payments budgeted in this subsection for fiscal year(~~(s)~~) 2004 (~~and~~
4 ~~2005~~). The participating districts shall retain no more than a total
5 of \$9,600,000 for the 2003-05 biennium.

6 (9) (~~(\$14,616,000)~~) \$25,905,000 of the health services account
7 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$21,746,000 of the
8 health services account appropriation for fiscal year 2005, and
9 (~~(\$27,010,000)~~) \$47,650,000 of the general fund--federal appropriation
10 are provided solely for additional disproportionate share and medicare
11 upper payment limit payments to public hospital districts and to the
12 state's teaching hospitals. The payments shall be conditioned upon a
13 contractual commitment by the participating public hospitals to make an
14 intergovernmental transfer to the health services account equal to at
15 least 91 percent of the additional payments. The state's teaching
16 hospitals shall retain at least 28 percent of the amounts retained by
17 hospitals under these programs, or the maximum allowable under the
18 teaching hospitals' limits as established under federal rule, whichever
19 is less.

20 (10) (~~(\$3,100,000)~~) \$3,178,000 of the health services account
21 appropriation, (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local
22 appropriation, and (~~(\$11,516,000)~~) \$7,308,000 of the general fund--
23 federal appropriation are provided solely for grants to rural
24 hospitals. The department shall distribute the funds under a formula
25 that provides a relatively larger share of the available funding to
26 hospitals that (a) serve a disproportionate share of low-income and
27 medically indigent patients and (b) have relatively smaller net
28 financial margins, to the extent allowed by the federal medicaid
29 program.

30 (11) (~~(\$26,080,000)~~) \$36,002,000 of the health services account
31 appropriation and \$26,080,000 of the general fund--federal
32 appropriation are provided solely for grants to nonrural hospitals.
33 The department shall distribute the funds under a formula that provides
34 a relatively larger share of the available funding to hospitals that
35 (a) serve a disproportionate share of low-income and medically indigent
36 patients and (b) have relatively smaller net financial margins, to the
37 extent allowed by the federal medicaid program.

1 ~~((13))~~ (12) \$156,000 of the general fund--state appropriation for
2 fiscal year 2004 and \$1,403,000 of the general fund--federal
3 appropriation are provided solely for a study to assess alternatives
4 for replacing the existing medicaid management information system. The
5 department shall report to the information services board and to the
6 fiscal committees of the legislature by December 1, 2003, on the
7 anticipated costs and benefits of the major alternative approaches.
8 The medicaid management information system replacement project shall
9 comply with section 902, chapter 25, Laws of 2003 1st sp. sess.

10 ~~((14))~~ (13) The department shall implement a combination of cost
11 containment and utilization strategies sufficient to reduce general
12 fund--state costs for durable medical equipment and supplies in fiscal
13 year 2005 by approximately 5 percent below the level projected for
14 fiscal year 2005 in the February 2003 forecast. In designing
15 strategies, the primary strategy considered shall be selective or
16 direct contracting with durable medical equipment and supplies vendors
17 or manufacturers.

18 ~~((15))~~ (14) The department shall, within available resources,
19 design and implement a medical care services care management pilot
20 project for clients receiving general assistance benefits. The pilot
21 project shall be operated in at least two of the counties with the
22 highest concentration of general assistance clients, and may use a full
23 or partial capitation model. In designing the project, the department
24 shall consult with the mental health division and its managed care
25 contractors that include community and migrant health centers in their
26 provider network. The pilot project shall be designed to maximize care
27 coordination, high-risk medical management, and chronic care management
28 to achieve better health outcomes. The pilot project shall begin
29 enrollment on July 1, 2004.

30 ~~((16))~~ (15) Within available resources and to the extent
31 possible, the department shall evaluate and pilot a nurse consultant
32 services program to assist fee-for-service clients in accessing medical
33 information, with the goal of reducing administrative burdens on
34 physicians and unnecessary emergency room utilization.

35 ~~((17))~~ (16) The department shall include in any pending medicaid
36 reform section 1115 waiver application, or in any existing section 1115
37 waiver, a request for authorization to provide optional medicaid
38 services that have been eliminated in this act to American Indian and

1 Alaska Native persons as defined in relevant federal law who are
2 eligible for medicaid only to the extent that such services are
3 provided through the American Indian health system and are financed
4 with one hundred percent federal medicaid matching funds.

5 ~~((+18+))~~ (17) The department shall establish managed care rates
6 within available funds(~~(, giving specific consideration to each plan's~~
7 ~~programmatic and financial performance, and ability to assure access in~~
8 ~~under served areas))~~, in a manner that promotes health plan efficiency,
9 encourages continuity of service, and assures access in underserved
10 areas.

11 ~~((+19+))~~ (18) The department of social and health services, the
12 office of the superintendent of public instruction, and the department
13 of health should jointly identify opportunities for early intervention
14 and prevention activities that can help prevent disease and reduce oral
15 health issues among children. Disease prevention among infants at the
16 age of one year and among children entering the K-12 education system
17 provides cost-effective ways to avoid higher health care spending later
18 in life.

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

23 ~~((+21+))~~ (20) For purposes of RCW 74.09.800(2), ~~((\$9,549,000))~~
24 \$8,017,000 of the general fund--state appropriation for fiscal year
25 2004, ~~((\$10,779,000))~~ \$8,454,000 of the general fund--state
26 appropriation for fiscal year 2005, and ~~((\$37,753,000))~~ \$30,588,000 of
27 the general fund--federal appropriation are provided solely to provide
28 prenatal care services to low-income women who are not eligible to
29 receive such services under the medical assistance program, Title XIX
30 of the federal social security act. If the department is unable to
31 secure federal matching funds under Title XXI of the social security
32 act, the department shall take all actions necessary to manage the
33 program within these appropriated levels.

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

36 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**

1 and the developmental disabilities program. The employees responsible
2 for the downsizing effort shall report to the assistant secretary of
3 the aging and disability services administration. Within the funds
4 provided in this subsection, the department shall:

5 (a) Determine appropriate ways to maximize federal reimbursement
6 during the downsizing process;

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

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

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

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

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

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

33 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
34 **AGENCIES PROGRAM**

35	General Fund--State Appropriation (FY 2004)	((\$42,011,000))
36		<u>\$43,454,000</u>
37	General Fund--State Appropriation (FY 2005)	((\$42,011,000))

1		<u>\$43,493,000</u>
2	General Fund--Federal Appropriation	((\$41,994,000))
3		<u>\$43,321,000</u>
4	TOTAL APPROPRIATION	((\$126,016,000))
5		<u>\$130,268,000</u>

6 NEW SECTION. **Sec. 213.** A new section is added to 2003 1st sp.s.
7 c 25 (uncodified) to read as follows:

8 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--HOME CARE PROVIDERS**
9 **COLLECTIVE BARGAINING AGREEMENT**

10 The sums of ninety-four thousand dollars from the general fund--
11 state for fiscal year 2004; twenty-three million sixty-four thousand
12 dollars from the general fund--state for fiscal year 2005; and twenty-
13 one million eight hundred forty-seven thousand dollars from the general
14 fund--federal are appropriated to the department of social and health
15 services solely for implementation of Engrossed Substitute House Bill
16 No. 2933 and the collective bargaining agreement negotiated between the
17 home care quality authority and the bargaining representative of
18 individual home care providers pursuant to chapter 74.39A RCW. If
19 Engrossed Substitute House Bill No. 2933 is not enacted by June 30,
20 2004, the appropriations in this section shall lapse. The department
21 may transfer and allot funds appropriated in this section among
22 programs of the department as necessary to implement Engrossed
23 Substitute House Bill No. 2933 and the provisions of the collective
24 bargaining agreement.

25 **Sec. 214.** 2003 1st sp.s. c 25 s 213 (uncodified) is amended to
26 read as follows:

27 **FOR THE STATE HEALTH CARE AUTHORITY**

28 State Health Care Authority Administrative

29	Account--State Appropriation	((\$17,665,000))
30		<u>\$18,942,000</u>
31	Health Services Account--State Appropriation	((\$415,459,000))
32		<u>\$415,540,000</u>
33	General Fund--Federal Appropriation	((\$3,307,000))
34		<u>\$3,875,000</u>
35	Medical Aid Account--State Appropriation	((\$128,000))
36		<u>\$213,000</u>

1 TOTAL APPROPRIATION ((\$436,559,000))
2 \$438,570,000

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

5 (1) (~~(\$6,000,000 of)~~) The health services account--state
6 appropriation (~~(is provided solely to increase the number of persons~~
7 ~~not eligible for medicaid receiving dental care from nonprofit~~
8 ~~community clinics)) contains funding to provide dental care at
9 community clinics for persons who are not current medicaid recipients,
10 and for interpreter services to support dental and medical services for
11 persons for whom interpreters are not available from any other source.~~

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

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

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

37 (5) The administrator shall take at least the following actions to
38 assure that persons participating in the basic health plan are eligible

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

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

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

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

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

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

35 (e) Take steps to implement cost-effective measures pursuant to
36 this section by December 2004, and on or before December 1, 2003,
37 provide a progress report to the relevant policy and fiscal committees

1 of the legislature on the feasibility of implementation and any fiscal
2 constraints or regulatory or statutory barriers.

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

5 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

6	Worker and Community Right-to-Know Account--State	
7	Appropriation	\$20,000
8	Accident Account--State Appropriation	((\$15,065,000))
9		<u>\$16,244,000</u>
10	Medical Aid Account--State Appropriation	((\$15,064,000))
11		<u>\$16,242,000</u>
12	TOTAL APPROPRIATION	((\$30,149,000))
13		<u>\$32,506,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations: \$1,179,000 of the accident account--state
16 appropriation and \$1,178,000 of the medical aid account--state
17 appropriation are provided solely for the costs of implementing
18 Engrossed Senate Bill No. 6317 (self-insured claims). If Engrossed
19 Senate Bill No. 6317 is not enacted by June 30, 2004, the amounts
20 provided in this subsection shall lapse.

21 **Sec. 216.** 2003 1st sp.s. c 25 s 217 (uncodified) is amended to
22 read as follows:

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

24	General Fund--State Appropriation (FY 2004)	\$5,863,000
25	General Fund--State Appropriation (FY 2005)	((\$5,860,000))
26		<u>\$6,145,000</u>
27	Public Safety and Education Account--State	
28	Appropriation	\$22,391,000
29	Public Safety and Education Account--Federal	
30	Appropriation	\$8,462,000
31	Asbestos Account--State Appropriation	((\$693,000))
32		<u>\$717,000</u>
33	Electrical License Account--State	
34	Appropriation	((\$28,966,000))
35		<u>\$29,589,000</u>
36	Farm Labor Revolving Account--Private/Local	

1	Appropriation	\$28,000
2	Worker and Community Right-to-Know Account--State	
3	Appropriation	((\$2,544,000))
4		<u>\$2,557,000</u>
5	Public Works Administration Account--State	
6	Appropriation	((\$2,411,000))
7		<u>\$2,477,000</u>
8	Accident Account--State Appropriation	((\$187,843,000))
9		<u>\$188,389,000</u>
10	Accident Account--Federal Appropriation	\$13,396,000
11	Medical Aid Account--State Appropriation	((\$186,724,000))
12		<u>\$188,208,000</u>
13	Medical Aid Account--Federal Appropriation	\$2,960,000
14	Plumbing Certificate Account--State	
15	Appropriation	((\$1,451,000))
16		<u>\$1,490,000</u>
17	Pressure Systems Safety Account--State	
18	Appropriation	((\$2,807,000))
19		<u>\$2,878,000</u>
20	TOTAL APPROPRIATION	((\$472,399,000))
21		<u>\$475,550,000</u>

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

24 ((+2)) (1) \$90,000 of the electrical license account--state
25 appropriation and \$206,000 of the plumbing certificate account--state
26 appropriation are provided solely to implement Engrossed Substitute
27 Senate Bill No. 5713 (electrical contractors). If the bill is not
28 enacted by June 30, 2003, the amounts provided in this subsection shall
29 lapse.

30 ((+3) ~~\$378,000~~) (2) \$165,000 of the accident account--state
31 appropriation is provided solely for the purpose of collecting and
32 analyzing data related to pesticide exposure of agricultural workers,
33 including the costs of training and testing-related travel. \$860,000
34 of the medical aid account--state appropriation is provided solely for
35 contracting with medical laboratories, health care providers, and other
36 appropriate entities to provide cholinesterase medical monitoring of
37 farm workers who handle cholinesterase-inhibiting pesticides, and to
38 collect and analyze data related to such monitoring. If Senate Bill

1 No. 6599 is not enacted by June 30, 2004, the medical aid account--
2 state funding provided in this subsection shall lapse and the
3 appropriation from the accident account--state shall be increased by
4 \$213,000.

5 (3) \$718,000 of the accident account--state appropriation and
6 \$718,000 of the medical aid account--state appropriation are provided
7 solely for the costs of implementing Engrossed Senate Bill No. 6317
8 (self-insured claims). If Engrossed Senate Bill No. 6317 is not
9 enacted by June 30, 2004, the amount provided in this subsection shall
10 lapse.

11 (4) The department shall report to the office of financial
12 management and the appropriate fiscal and policy committees of the
13 legislature detailed information regarding administrative staffing
14 levels and services by October 1, 2004, and prior to implementing phase
15 II of the indirect cost study.

16 (5) The department may not use funding appropriated in this section
17 to adopt new rules regulating heat, ventilation, and air conditioning
18 systems without express legislative authority.

19 **Sec. 217.** 2003 1st sp.s. c 25 s 219 (uncodified) is amended to
20 read as follows:

21 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

22 (1) HEADQUARTERS

23 General Fund--State Appropriation (FY 2004)	((\$1,527,000))
	<u>\$1,531,000</u>
25 General Fund--State Appropriation (FY 2005)	((\$1,528,000))
	<u>\$1,536,000</u>
27 Charitable, Educational, Penal, and Reformatory	
28 Institutions Account--State	
29 Appropriation	\$11,000
30 TOTAL APPROPRIATION	((\$3,066,000))
	<u>\$3,078,000</u>

32 (2) FIELD SERVICES

33 General Fund--State Appropriation (FY 2004)	((\$2,579,000))
	<u>\$2,588,000</u>
35 General Fund--State Appropriation (FY 2005)	((\$2,579,000))
	<u>\$2,596,000</u>
37 General Fund--Federal Appropriation	\$309,000

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

6 **Sec. 219.** 2003 1st sp.s. c 25 s 221 (uncodified) is amended to
7 read as follows:

8 **FOR THE DEPARTMENT OF HEALTH**

9	General Fund--State Appropriation (FY 2004)	((\$58,143,000))
10		<u>\$57,853,000</u>
11	General Fund--State Appropriation (FY 2005)	((\$60,224,000))
12		<u>\$60,121,000</u>
13	Health Services Account--State Appropriation	((\$34,289,000))
14		<u>\$36,989,000</u>
15	General Fund--Federal Appropriation	((\$348,897,000))
16		<u>\$392,995,000</u>
17	General Fund--Private/Local Appropriation	\$93,601,000
18	Hospital Commission Account--State	
19	Appropriation	\$2,490,000
20	Health Professions Account--State	
21	Appropriation	((\$40,097,000))
22		<u>\$40,335,000</u>
23	Emergency Medical Services and Trauma Care Systems	
24	Trust Account--State Appropriation	\$12,558,000
25	Safe Drinking Water Account--State	
26	Appropriation	\$2,728,000
27	Drinking Water Assistance Account--Federal	
28	Appropriation	((\$13,498,000))
29		<u>\$15,654,000</u>
30	Waterworks Operator Certification--State	
31	Appropriation	((\$633,000))
32		<u>\$1,053,000</u>
33	<u>Drinking Water Assistance Administrative Account--</u>	
34	<u>State Appropriation</u>	<u>\$326,000</u>
35	Water Quality Account--State Appropriation	\$3,359,000
36	Accident Account--State Appropriation	\$258,000
37	Medical Aid Account--State Appropriation	\$46,000

1 "unrestricted federal moneys" includes block grants and other funds
2 that federal law does not require to be spent on specifically defined
3 projects or matched on a formula basis by state funds.

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

9 (5) \$2,984,000 of the general fund--local appropriation is provided
10 solely for development and implementation of an internet-based system
11 for preparing and retrieving death certificates as provided in
12 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
13 vital records).

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

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

29 (8) \$100,000 of the general fund--state appropriation for fiscal
30 year 2005 and \$233,000 of the general fund--federal appropriation are
31 provided solely to expand the farmers market nutrition program into
32 areas of the state in which agencies administering the federal women,
33 infants, and children nutrition program do not presently receive state
34 matching funds to participate in the program. The first priority for
35 program expansion shall be to areas of the state that have demonstrated
36 need for and commitment to the program by raising local contributions
37 to meet federal matching fund requirements.

1 fund--state appropriation for fiscal year 2004 (~~is~~) and \$2,550,000 of
2 the general fund--state appropriation for fiscal year 2005 are provided
3 solely for the continuation of phase two of the department's offender-
4 based tracking system replacement project. This amount is conditioned
5 on the department satisfying the requirements of section 902 of this
6 act.

7 (2) CORRECTIONAL OPERATIONS

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

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

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

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

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

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

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

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

14 (3) COMMUNITY SUPERVISION

15	General Fund--State Appropriation (FY 2004)	((\$73,952,000))
16		<u>\$87,626,000</u>
17	General Fund--State Appropriation (FY 2005)	((\$74,200,000))
18		<u>\$88,564,000</u>
19	Public Safety and Education	
20	Account--State Appropriation	\$15,492,000
21	TOTAL APPROPRIATION	((\$163,644,000))
22		<u>\$191,682,000</u>

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

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

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

37 (c) \$100,000 of the general fund--state appropriation for fiscal
38 year 2004 is provided solely for a pilot project to test the

1 availability, reliability, and effectiveness of an electronic
2 monitoring system based on passive data logging global positioning
3 system technology for monitoring sex offenders.

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

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

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

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

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

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

32 (B) Any geographic or weather-related limitations posed by the
33 technology;

34 (C) The reliability, including the false alarm rate of the
35 technology;

36 (D) Any training requirements for department of corrections staff
37 or supervised persons;

- 1 (E) Any distinctions in effectiveness or feasibility for different
- 2 supervision populations;
- 3 (F) Costs, including equipment costs, monitoring fees, and any
- 4 changes to department of corrections staffing levels;
- 5 (G) The ability of the subjects of the pilot to pay for daily
- 6 and/or equipment costs;
- 7 (H) The rate of loss or damage to equipment used by the subjects of
- 8 the pilot project; and
- 9 (I) Limitations in the pilot project to determining the answers to
- 10 the items in this subsection (3)(c)(v).

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

14 (4) CORRECTIONAL INDUSTRIES

15	General Fund--State Appropriation (FY 2004)	\$626,000
16	General Fund--State Appropriation (FY 2005)	\$626,000
17	TOTAL APPROPRIATION	\$1,252,000

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

20 (a) \$110,000 of the general fund--state appropriation for fiscal
 21 year 2004 and \$110,000 of the general fund-- state appropriation for
 22 fiscal year 2005 are provided solely for transfer to the jail
 23 industries board. The board shall use the amounts provided only for
 24 administrative expenses, equipment purchases, and technical assistance
 25 associated with advising cities and counties in developing, promoting,
 26 and implementing consistent, safe, and efficient offender work
 27 programs.

28 (b) For the 2003-05 biennium, the department shall implement
 29 Engrossed Second Substitute Senate Bill No. 6489 (correctional
 30 industries) within available appropriations and correctional industries
 31 revolving account funds.

32 (5) INTERAGENCY PAYMENTS

33	General Fund--State Appropriation (FY 2004)	((\$25,099,000))
34		<u>\$26,259,000</u>
35	General Fund--State Appropriation (FY 2005)	((\$25,134,000))
36		<u>\$26,218,000</u>
37	TOTAL APPROPRIATION	((\$50,233,000))

1 \$52,477,000

2 **Sec. 221.** 2003 1st sp.s. c 25 s 226 (uncodified) is amended to
3 read as follows:

4 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

5	General Fund--Federal Appropriation	\$267,586,000
6	General Fund--Private/Local Appropriation	\$30,103,000
7	Unemployment Compensation Administration Account--	
8	Federal Appropriation	(\$184,878,000)
9		<u>\$192,415,000</u>
10	Administrative Contingency Account--State	
11	Appropriation	(\$14,721,000)
12		<u>\$10,721,000</u>
13	Employment Service Administrative Account--State	
14	Appropriation	\$23,184,000
15	TOTAL APPROPRIATION	(\$520,472,000)
16		<u>\$524,009,000</u>

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

19 (1) \$100,000 of the administrative contingency account
20 appropriation is provided solely to ((establish an advisory partnership
21 on the Washington manufacturing sector as outlined in Substitute House
22 Bill No. 2164 (manufacturing advisory partnership) and recommended in
23 the report entitled manufacturing in Washington state, 1990-2002:
24 trends and implications for the industry and state)) the employment
25 security department for manufacturing economic research and surveys
26 with findings reported to relevant legislative committees, business,
27 and labor.

28 (2) \$3,537,000 of the unemployment compensation administration
29 account--federal appropriation is provided from funds made available to
30 the state by section 903(d) of the Social Security Act (Reed Act).
31 These funds are provided to replace obsolete information technology
32 infrastructure.

33 (3) \$4,000,000 of the unemployment compensation administration
34 account--federal appropriation is provided from funds made available to
35 the state by section 903(d) of the Social Security Act (Reed Act).
36 These funds are authorized for employer outreach activities and to

1 prevent, detect, and collect unemployment insurance benefit
2 overpayments.

3 **Sec. 222.** 2003 1st sp.s. c 25 s 216 (uncodified) is amended to
4 read as follows:

5 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

6	<u>General Fund--State Appropriation (FY 2005)</u>	<u>\$75,000</u>
7	Municipal Criminal Justice Assistance Account--	
8	Local Appropriation	\$460,000
9	Death Investigations Account--State	
10	Appropriation	\$148,000
11	Public Safety and Education Account--State	
12	Appropriation	\$18,078,000
13	TOTAL APPROPRIATION	(\$18,686,000)
14		<u>\$18,761,000</u>

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

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

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

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

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

35 (5) \$25,000 of the general fund--state appropriation for fiscal
36 year 2005 is provided solely for allocation to the Washington
37 association of sheriffs and police chiefs to support exploration of

1 regional jails and to provide technical assistance for expanding jail
2 and prison capacity. The association shall coordinate with the
3 sentencing guidelines commission and the department of corrections, and
4 provide a summary report of the results of this project to the
5 legislature no later than December 1, 2004.

6 (6) \$50,000 of the general fund--state appropriation for fiscal
7 year 2005 is provided solely for allocation to the Washington
8 association of sheriffs and police chiefs to develop a database and
9 perform an assessment of environmentally or politically motivated
10 crimes against animal or natural resource facilities, known as eco-
11 terrorism. The database shall consist of a list of persons and
12 organizations involved in eco-terrorism activities, developed by the
13 association in coordination with state, local, and federal law
14 enforcement agencies. The assessment will determine the scope of the
15 eco-terrorism problem in the state. The association shall submit a
16 report to the commission and appropriate committees of the legislature
17 by December 31, 2004.

18 **Sec. 223.** 2003 1st sp.s. c 25 s 225 (uncodified) is amended to
19 read as follows:

20 **FOR THE SENTENCING GUIDELINES COMMISSION**

21	General Fund--State Appropriation (FY 2004)	\$737,000
22	General Fund--State Appropriation (FY 2005)	\$741,000
23	TOTAL APPROPRIATION	\$1,478,000

24 The appropriations in this section are subject to the following
25 conditions and limitations: The sentencing guidelines commission shall
26 review the use, effectiveness, and cost effectiveness of sex offender
27 sentencing, including the special sex offender sentencing alternative
28 as follows:

29 (1) The review and evaluation shall include an analysis of whether
30 current sex offense sentencing ranges and standards, as well as
31 existing mandatory minimum sentences, existing sentence enhancements,
32 and the special sex offender sentencing alternative, are consistent
33 with the purposes of the sentencing reform act, as set out in RCW
34 9.94A.010, and the community protection act. The review in this area
35 may summarize findings of the sentencing study required by chapter 7,
36 Laws of 2001, and the work of the Washington state institute for public
37 policy, and shall not be duplicative.

1 (2) In conducting the review and evaluation, the commission shall
2 consult with the superior court judges' association, the Washington
3 association of prosecuting attorneys, the Washington defenders'
4 association, the Washington association of criminal defense lawyers,
5 the Washington association of sheriffs and police chiefs, the
6 Washington state institute for public policy, treatment providers,
7 organizations representing crime victims, and other organizations and
8 individuals with expertise and interest in sex offender sentencing
9 policy and treatment. To the extent possible within available
10 appropriations, the commission shall conduct open public hearings to
11 obtain input from the victims, families, advocates, and others.
12 Comments from the public shall be included in the report to the
13 legislature.

14 (3) Not later than November 1, 2004, the commission shall present
15 to the appropriate standing committees of the legislature the findings
16 of its review and evaluation, together with any recommendations for
17 revisions and modifications to sex offender sentencing policy,
18 including sentencing ranges and standards, mandatory minimum sentences,
19 and sentence enhancements. If implementation of the recommendations of
20 the commission would result in exceeding the capacity of local or state
21 correctional facilities, the commission shall also present the fiscal
22 impact of proposed changes.

(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>\$34,804,000</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
State Emergency Water Projects Revolving Account--	
State Appropriation	\$552,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	\$1,708,000
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))
	<u>\$26,026,000</u>
Wood Stove Education and Enforcement Account--	
State Appropriation	\$356,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,348,000
State Toxics Control Account--State	
Appropriation	((\$59,268,000))
	<u>\$59,427,000</u>

1	State Toxics Control Account--Private/Local	
2	Appropriation	\$353,000
3	Local Toxics Control Account--State	
4	Appropriation	\$4,878,000
5	Water Quality Permit Account--State	
6	Appropriation	((\$25,205,000))
7		<u>\$26,123,000</u>
8	Underground Storage Tank Account--State	
9	Appropriation	\$2,710,000
10	Environmental Excellence Account--State	
11	Appropriation	\$504,000
12	Biosolids Permit Account--State Appropriation	\$784,000
13	Hazardous Waste Assistance Account--State	
14	Appropriation	((\$4,185,000))
15		<u>\$4,535,000</u>
16	Air Pollution Control Account--State	
17	Appropriation	\$1,654,000
18	Oil Spill Prevention Account--State	
19	Appropriation	((\$7,745,000))
20		<u>\$7,889,000</u>
21	Air Operating Permit Account--State	
22	Appropriation	\$3,693,000
23	Freshwater Aquatic Weeds Account--State	
24	Appropriation	\$2,503,000
25	Oil Spill Response Account--State	
26	Appropriation	\$7,078,000
27	Metals Mining Account--State Appropriation	\$19,000
28	Water Pollution Control Revolving Account--	
29	State Appropriation	((\$380,000))
30		<u>\$387,000</u>
31	Water Pollution Control Revolving Account--	
32	Federal Appropriation	((\$1,867,000))
33		<u>\$1,901,000</u>
34	TOTAL APPROPRIATION	((\$301,337,000))
35		<u>\$307,546,000</u>

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

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

11 (2) \$4,059,000 of the state toxics control account appropriation is
12 provided solely for methamphetamine lab clean-up activities.

13 (3) \$170,000 of the oil spill prevention account appropriation is
14 provided solely for implementation of the Puget Sound work plan action
15 item UW-02 through a contract with the University of Washington's sea
16 grant program to develop an educational program targeted to small
17 spills from commercial fishing vessels, ferries, cruise ships, ports,
18 and marinas.

19 (4) (~~(\$1,000,000)~~) \$600,000 of the general fund--state
20 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,400,000 of the
21 general fund--state appropriation for fiscal year 2005 are provided
22 solely for shoreline grants to local governments to implement
23 Substitute Senate Bill No. 6012 (shoreline management), chapter 262,
24 Laws of 2003.

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

28 (6) \$200,000 of the water quality account--state appropriation is
29 provided solely for the department to contract with Washington State
30 University cooperative extension program to provide statewide
31 coordination and support for coordinated resource management.

32 (7) \$100,000 of the state toxics control account--state
33 appropriation is provided solely to implement Engrossed Substitute
34 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill
35 is not enacted by June 30, 2003, the amount provided in this subsection
36 shall lapse.

37 (8) The department of ecology is authorized to take one of the
38 following actions related to the grant awarded in the 2001-03 biennium

1 to Lincoln county for the Negro Creek flood control project, flood
2 control assistance account program grant G0200049: (a) Carry forward
3 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
4 the time of performance for the grant contract to the end of the 2003-
5 2005 biennium.

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

13 (10) \$144,000 of the oil spill prevention account--state
14 appropriation is provided solely to implement the provisions of
15 Substitute Senate Bill No. 6641 (oil spills). If the bill is not
16 enacted by June 30, 2004, the amount provided in this subsection shall
17 lapse.

18 (11) \$918,000 of the water quality permit account--state
19 appropriation is provided solely to implement the provisions of
20 Engrossed Substitute Senate Bill No. 6415 (storm water discharge
21 permits). If the bill is not enacted by June 30, 2004, the amount
22 provided in this subsection shall lapse.

23 (12) \$203,000 of the general fund--state appropriation for fiscal
24 year 2005 and \$774,000 of the water quality account--state
25 appropriation are provided solely to implement the provisions of
26 Engrossed Second Substitute Senate Bill No. 5957 (water quality data).
27 If the bill is not enacted by June 30, 2004, the amounts provided in
28 this subsection shall lapse.

29 (13) \$120,000 of the general fund--state appropriation for fiscal
30 year 2005 is provided solely for a wetland mitigation banking pilot
31 project. The department shall work with representatives from involved
32 state agencies, the army corps of engineers, business, mitigation
33 banking organizations, and environmental organizations to develop and
34 implement a wetland banking rule. The department shall report to the
35 appropriate committees of the legislature on the progress of the rule
36 by December 2004.

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

5 (5) The commission shall study, and implement if deemed appropriate
6 by the commission, transfer of the Old Man House state park to the
7 Suquamish tribe. Any agreements shall provide for continued public
8 access and use of the site for public recreation, and include a limited
9 waiver of sovereignty by the tribe restricted to the enforceability of
10 the reversion clause included in RCW 79A.05.170.

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

13 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

14	General Fund--State Appropriation (FY 2004)	\$1,246,000
15	General Fund--State Appropriation (FY 2005)	(\$1,256,000)
16		<u>\$1,571,000</u>
17	General Fund--Federal Appropriation	\$17,983,000
18	<u>General Fund--Private/Local Appropriation</u>	<u>\$125,000</u>
19	Firearms Range Account--State Appropriation	\$22,000
20	Recreation Resources Account--State	
21	Appropriation	\$2,608,000
22	NOVA Program Account--State Appropriation	\$691,000
23	Water Quality Account--State Appropriation	\$200,000
24	Aquatic Lands Enhancement Account--State Appropriation	\$254,000
25	TOTAL APPROPRIATION	(\$24,260,000)
26		<u>\$24,700,000</u>

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

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

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

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

13 (4) \$234,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$234,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to implement priority
16 recommendations developed by the monitoring oversight committee as
17 directed by RCW 77.85.210. Within these funds, activity shall be
18 directed to improve monitoring oversight within watersheds, enhance
19 data coordination and access among recovery partners, and produce a
20 state watershed health report card.

21 (5) \$125,000 of the general fund--state appropriation for fiscal
22 year 2005 and \$125,000 of the general fund--private/local appropriation
23 are provided solely to begin implementing the recommendations contained
24 in the Washington biodiversity conservation strategic report (October
25 2003), including the development of a state biodiversity strategy. The
26 general fund--state appropriation must be matched by an equal amount of
27 nonstate funding. During fiscal year 2005, work shall concentrate on
28 identifying elements for a comprehensive biodiversity strategy,
29 developing incentives for private landowners to protect biodiversity,
30 enhancing state agency assessments of ecoregions, and increasing
31 efforts to conserve biodiversity on state lands.

32 (6) \$190,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely to implement the provisions of Substitute
34 Senate Bill No. 6242 (land acquisitions). If the bill is not enacted
35 by June 30, 2004, the amount provided in this subsection shall lapse.

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

1 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

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

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

14 **Sec. 305.** 2003 1st sp.s. c 25 s 307 (uncodified) is amended to
15 read as follows:

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

17	General Fund--State Appropriation (FY 2004)	((\$41,453,000))
18		<u>\$41,600,000</u>
19	General Fund--State Appropriation (FY 2005)	((\$40,179,000))
20		<u>\$40,502,000</u>
21	General Fund--Federal Appropriation	((\$31,632,000))
22		<u>\$40,316,000</u>
23	General Fund--Private/Local Appropriation	((\$24,300,000))
24		<u>\$29,420,000</u>
25	Off Road Vehicle Account--State	
26	Appropriation	\$501,000
27	Aquatic Lands Enhancement Account--State	
28	Appropriation	\$5,620,000
29	Public Safety and Education Account--State	
30	Appropriation	\$562,000
31	Recreational Fisheries Enhancement Account--	
32	State Appropriation	((\$3,392,000))
33		<u>\$3,512,000</u>
34	Warm Water Game Fish Account--State	
35	Appropriation	\$2,568,000
36	Eastern Washington Pheasant Enhancement Account--	
37	State Appropriation	\$750,000

1	Wildlife Account--State Appropriation	((\$57,138,000))
2		<u>\$58,514,000</u>
3	Wildlife Account--Federal Appropriation	((\$38,216,000))
4		<u>\$29,532,000</u>
5	Wildlife Account--Private/Local	
6	Appropriation	((\$15,158,000))
7		<u>\$10,038,000</u>
8	((Game)) Special Wildlife Account--State	
9	Appropriation	((\$1,949,000))
10		<u>\$2,068,000</u>
11	((Game)) Special Wildlife Account--Federal	
12	Appropriation	((\$9,598,000))
13		<u>\$8,720,000</u>
14	((Game)) Special Wildlife Account--Private/Local	
15	Appropriation	((\$350,000))
16		<u>\$450,000</u>
17	Environmental Excellence Account--State	
18	Appropriation	\$15,000
19	Regional Fisheries Salmonid Recovery Account--	
20	Federal Appropriation	\$1,750,000
21	Oil Spill Prevention Account--State	
22	Appropriation	\$981,000
23	Oyster Reserve Land Account--State	
24	Appropriation	((\$137,000))
25		<u>\$411,000</u>
26	TOTAL APPROPRIATION	((\$276,249,000))
27		<u>\$277,830,000</u>

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

30 (1) \$1,355,714 of the general fund--state appropriation for fiscal
31 year 2004, \$1,355,713 of the general fund--state appropriation for
32 fiscal year 2005, and \$402,000 of the wildlife account--state
33 appropriation are provided solely for the implementation of the Puget
34 Sound work plan and agency action items DFW-01 through DFW-06.

35 (2) \$225,000 of the general fund--state appropriation for fiscal
36 year 2004, \$225,000 of the general fund--state appropriation for fiscal
37 year 2005, and \$550,000 of the wildlife account--state appropriation

1 are provided solely for the implementation of hatchery reform
2 recommendations defined by the hatchery scientific review group.

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

6 (4) \$900,000 of the wildlife fund--state appropriation is provided
7 solely for wetland restoration activities for migratory waterfowl by
8 providing landowner incentives to create or maintain waterfowl habitat
9 and management activities.

10 (5) \$2,000,000 of the aquatic lands enhancement account
11 appropriation is provided for cooperative volunteer projects.

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

18 (7) The department shall develop and implement an activity-based
19 costing system. The system shall be operational no later than January
20 1, 2004.

21 (8) \$400,000 of the wildlife account--state appropriation is
22 provided solely to implement the department's information systems
23 strategic plan to include continued implementation of a personal
24 computer leasing plan, an upgrade of computer back-up systems, systems
25 architecture assessment, and network security analysis.

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

30 (10) \$43,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$42,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for staffing and operation of the
33 Tennant Lake interpretive center.

34 (11) \$80,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$77,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to implement Second Substitute
37 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
38 2003.

1 (12) \$25,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$25,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to implement Engrossed Second
4 Substitute House Bill No. 1338 (municipal water rights). If the bill
5 is not enacted by June 30, 2003, the amounts provided in this
6 subsection shall lapse.

7 (13) \$110,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$110,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for economic adjustment assistance
10 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

11 (14) The department shall emphasize enforcement of laws related to
12 protection of fish habitat and the illegal harvest of salmon and
13 steelhead. Within the amount provided for the agency, the department
14 shall provide support to the department of health to enforce state
15 shellfish harvest laws.

16 (15) \$30,000 of the general fund--state appropriation for fiscal
17 year 2005 and \$120,000 of the recreational fisheries enhancement
18 account--state appropriation are provided solely to implement
19 additional selective recreational fisheries to include one additional
20 fishery each in eastern and western Washington. The department shall
21 determine the eastern Washington fishery while the western Washington
22 fishery shall be for Lake Washington sockeye.

23 (16) \$150,000 of the general fund--state appropriation for fiscal
24 year 2005 and \$150,000 of the wildlife account--state appropriation are
25 provided solely to complete phase II of the contract management system
26 (CAPS). The CAPS system phase II shall be operational no later than
27 June 30, 2005.

28 (17) \$50,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for lease payments for the Vancouver
30 hatchery staff residence and for the development of plans for an
31 educational facility in cooperation with the Columbia Springs
32 environmental education center.

33 (18) \$122,000 of the wildlife account--state appropriation is
34 provided solely for reimbursement to the department of natural
35 resources for its costs associated with fire suppression on fish and
36 wildlife lands.

37 (19) From within existing funding, the department shall provide a
38 report to the appropriate committees of the legislature identifying

1 options for reducing future allocations for the harvest of salmon in
2 the event that a group's actual catch exceeds a current allocation.
3 The report shall identify any statutory changes that would be required
4 to implement such an accountability system.

5 **Sec. 306.** 2003 1st sp.s. c 25 s 308 (uncodified) is amended to
6 read as follows:

7 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

8	General Fund--State Appropriation (FY 2004)	((\$30,307,000))
9		<u>\$54,329,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$34,233,000))
11		<u>\$35,104,000</u>
12	General Fund--Federal Appropriation	((\$3,809,000))
13		<u>\$5,116,000</u>
14	General Fund--Private/Local Appropriation	\$2,482,000
15	Forest Development Account--State	
16	Appropriation	((\$52,060,000))
17		<u>\$52,125,000</u>
18	Off Road Vehicle Account--State	
19	Appropriation	((\$4,028,000))
20		<u>\$4,029,000</u>
21	Surveys and Maps Account--State	
22	Appropriation	((\$2,760,000))
23		<u>\$2,761,000</u>
24	Aquatic Lands Enhancement Account--State	
25	Appropriation	((\$6,884,000))
26		<u>\$6,885,000</u>
27	Resources Management Cost Account--State	
28	Appropriation	((\$70,391,000))
29		<u>\$70,468,000</u>
30	Surface Mining Reclamation Account--State	
31	Appropriation	\$2,293,000
32	Disaster Response Account--State Appropriation	\$7,200,000
33	Water Quality Account--State Appropriation	\$2,479,000
34	Aquatic Land Dredged Material Disposal Site	
35	Account--State Appropriation	\$1,311,000
36	Natural Resource Conservation Areas Stewardship	
37	Account Appropriation	\$83,000

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

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

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

13 (8) \$1,000,000 of the aquatic lands enhancement account--state
14 appropriation is provided solely for the department to meet its
15 obligations with the U.S. environmental protection agency for the
16 clean-up of Commencement Bay.

17 (9) ~~((For the 2003-05 fiscal biennium, the department has revised
18 the methodology by which administrative costs of the department are
19 allocated among the state general fund and the various dedicated funds
20 and accounts from which the department receives appropriations. The
21 legislature recognizes that the revised methodology represents a fair
22 and equitable allocation of costs under state law and accounting rules.
23 The legislature further finds that retroactive application of the
24 revised methodology is neither practical nor desirable.))~~ \$50,000 of
25 the general fund--state appropriation for fiscal year 2005, \$50,000 of
26 the forest development account--state appropriation, and \$50,000 of the
27 resource management cost account--state appropriation are provided to
28 implement Second Substitute Senate Bill No. 6144 (forest health). The
29 department shall also expend \$50,000 from the landowner contingency
30 forest fire suppression account for this purpose. If the bill is not
31 enacted by June 30, 2004, the amounts provided in this subsection shall
32 lapse.

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

1 313, Laws of 2003. The report shall be submitted by December 31, 2006,
2 and shall include the following information:

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

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

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

12 (11) \$208,000 of the general fund--state appropriation of fiscal
13 year 2004 and \$70,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to implement Second Substitute
15 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
16 2003.

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

21 (13) \$4,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$4,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely to compensate the forest board
24 trust for a portion of the lease to the Crescent television improvement
25 district consistent with RCW 79.12.055.

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

1 (15) \$265,000 of the aquatic lands enhancement account
2 appropriation is provided solely for developing a pilot project to
3 study the feasibility of geoduck aquaculture on both intertidal and
4 subtidal lands in the state of Washington.

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

15 **Sec. 307.** 2003 1st sp.s. c 25 s 309 (uncodified) is amended to
16 read as follows:

17 **FOR THE DEPARTMENT OF AGRICULTURE**

18	General Fund--State Appropriation (FY 2004)	((\$7,444,000))
19		<u>\$8,286,000</u>
20	General Fund--State Appropriation (FY 2005)	((\$7,244,000))
21		<u>\$8,686,000</u>
22	General Fund--Federal Appropriation	\$10,068,000
23	General fund--Private/Local Appropriation	\$1,110,000
24	Aquatic Lands Enhancement Account--State	
25	Appropriation	\$1,942,000
26	Water Quality Account--State Appropriation	\$692,000
27	State Toxics Control Account--State	
28	Appropriation	((\$2,580,000))
29		<u>\$2,780,000</u>
30	Water Quality Permit Account--State Appropriation	\$165,000
31	TOTAL APPROPRIATION	((\$31,245,000))
32		<u>\$33,729,000</u>

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

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

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

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

6 (3) \$165,000 of the water quality permit account--state
7 appropriation and \$692,000 of the water quality account--state
8 appropriation are provided solely to implement Engrossed Substitute
9 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
10 2003.

11 (4) \$53,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$15,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely to implement Engrossed Substitute
14 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

15 (5) \$1,100,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely for the development of comprehensive
17 irrigation district management plans.

(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>\$4,963,000</u>
Architects' License Account--State	
Appropriation	((\$696,000))
	<u>\$706,000</u>
Cemetery Account--State Appropriation	((\$235,000))
	<u>\$249,000</u>
Professional Engineers' Account--State	
Appropriation	((\$3,025,000))
	<u>\$2,938,000</u>
Real Estate Commission Account--State Appropriation	((\$7,111,000))
	<u>\$7,048,000</u>
Master License Account--State Appropriation	((\$9,110,000))
	<u>\$8,920,000</u>
Uniform Commercial Code Account--State	
Appropriation	((\$2,987,000))
	<u>\$2,837,000</u>
Real Estate Education Account--State	
Appropriation	((\$277,000))
	<u>\$275,000</u>
Real Estate Appraisers Commission Account--State	
Appropriation	((\$927,000))
	<u>\$946,000</u>
Geologist's Account--State	
Appropriation	((\$7,000))
	<u>\$21,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation	((\$521,000))
	<u>\$532,000</u>

1	State Appropriation	\$1,087,000
2	Fire Service Trust Account--State	
3	Appropriation	\$125,000
4	Fire Service Training Account--State	
5	Appropriation	\$7,374,000
6	State Toxics Control Account--State	
7	Appropriation	\$436,000
8	Violence Reduction and Drug Enforcement Account--	
9	State Appropriation	((\$286,000))
10		<u>\$810,000</u>
11	Fingerprint Identification Account--State	
12	Appropriation	((\$4,405,000))
13		<u>\$5,117,000</u>
14	TOTAL APPROPRIATION	((\$85,793,000))
15		<u>\$87,622,000</u>

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

18 (1) \$750,000 of the fire service training account--state
19 appropriation is provided solely for the implementation of Senate Bill
20 No. 5176 (fire fighting training). If the bill is not enacted by June
21 30, 2003, the amount provided in this subsection shall lapse.

22 (2) \$200,000 of the fire service training account--state
23 appropriation is provided solely for two FTE's in the office of state
24 fire marshal to exclusively review K-12 construction documents for fire
25 and life safety in accordance with the state building code. It is the
26 intent of this appropriation to provide these services only to those
27 districts that are located in counties without qualified review
28 capabilities.

(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>\$11,742,000</u>
General Fund--Federal Appropriation	((\$15,921,000))
	<u>\$26,968,000</u>
TOTAL APPROPRIATION	((\$39,454,000))
	<u>\$50,325,000</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 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the Washington professional educator standards board.

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

1 (e) The department of social and health services, the office of the
2 superintendent of public instruction, and the department of health
3 should work together to identify opportunities for early intervention
4 and prevention activities that can help prevent disease and reduce oral
5 health issues among children. Disease prevention among infants at the
6 age of one year and among children entering the K-12 education system
7 provide cost-effective ways to avoid higher health spending later in
8 life.

9 (2) STATEWIDE PROGRAMS

10	General Fund--State Appropriation (FY 2004)	\$8,966,000
11	General Fund--State Appropriation (FY 2005)	(\$9,345,000)
12		<u>\$10,785,000</u>
13	General Fund--Federal Appropriation	(\$66,405,000)
14		<u>\$61,656,000</u>
15	TOTAL APPROPRIATION	(\$84,716,000)
16		<u>\$81,407,000</u>

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

20 (a) HEALTH AND SAFETY

21 (i) A maximum of \$2,541,000 of the general fund--state
22 appropriation for fiscal year 2004 and a maximum of ~~(\$2,541,000)~~
23 \$3,541,000 of the general fund--state appropriation for fiscal year
24 2005 are provided for a corps of nurses located at educational service
25 districts, as determined by the superintendent of public instruction,
26 to be dispatched to the most needy schools to provide direct care to
27 students, health education, and training for school staff.

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

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

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

22 (c) GRANTS AND ALLOCATIONS

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

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

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

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

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

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

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

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

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

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

1 and (e) of this subsection. Certificated staffing allocations shall be
2 as follows:

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

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

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

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

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

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

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

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

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

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

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

1 generated had such additional full-time equivalent students been
2 included in the normal enrollment count for that particular month;

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

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

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

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

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

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

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

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

37 (e) For specified enrollments in districts enrolling more than
38 twenty-five but not more than one hundred average annual full-time

1 equivalent students in grades K-8, and for small school plants within
2 any school district which enroll more than twenty-five average annual
3 full-time equivalent students in grades K-8 and have been judged to be
4 remote and necessary by the state board of education:

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

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

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

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

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

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

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

36 (h) For each nonhigh school district having an enrollment of more
37 than fifty annual average full-time equivalent students and less than

1 one hundred eighty students, operating a grades K-6 program or a grades
2 1-6 program, an additional one-half of a certificated instructional
3 staff unit.

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

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

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

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

18 (4) Fringe benefit allocations shall be calculated at a rate of
19 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05
20 school year for certificated salary allocations provided under
21 subsection (2) of this section, and a rate of 12.25 percent in the
22 2003-04 school year and 12.25 percent in the 2004-05 school year for
23 classified salary allocations provided under subsection (3) of this
24 section.

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

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

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

36 (6)(a) For nonemployee-related costs associated with each
37 certificated staff unit allocated under subsection (2)(a), (b), and (d)
38 through (h) of this section, there shall be provided a maximum of

1 \$8,785 per certificated staff unit in the 2003-04 school year and a
2 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05
3 school year.

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

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

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

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

33 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
34 \$6,385,000 outside the basic education formula during fiscal years 2004
35 and 2005 as follows:

36 (a) For fire protection for school districts located in a fire
37 protection district as now or hereafter established pursuant to chapter

1 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
2 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year
3 2005;

4 (b) For summer vocational programs at skills centers, a maximum of
5 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
6 \$2,035,000 for the 2005 fiscal year;

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

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

15 (10) For purposes of RCW 84.52.0531(3), the increase per full-time
16 equivalent student is 3.4 percent from the 2002-03 school year to the
17 2003-04 school year and 2.5 percent from the 2003-04 school year to the
18 2004-05 school year. For purposes of RCW 84.52.0531(4), the additional
19 per pupil adjustment inflator, for excess levies for collection in
20 calendar year 2005, for school districts for which voters have approved
21 levies for collection in calendar year 2005 prior to November 1, 2003,
22 is 4.4 percent.

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

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

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

37 (12) (~~(\$159,000)~~) \$401,000 of the general fund--state appropriation
38 for fiscal year (~~(2004 and \$1,181,000 of the general fund state~~

1 ~~appropriation for fiscal year 2005 are~~) 2005 is provided solely for
2 the implementation of Second Engrossed Substitute Senate Bill No. 5012
3 or Second Substitute House Bill No. 2295 (charter schools). If ~~((the))~~
4 neither bill is ~~((not))~~ enacted by June 30, ~~((2003))~~ 2004, the
5 amount~~((s))~~ provided in this subsection shall lapse.

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

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
9 **COMPENSATION ADJUSTMENTS**

10	General Fund--State Appropriation (FY 2004)	(((\$28,511,000))
11		<u>\$28,604,000</u>
12	General Fund--State Appropriation (FY 2005)	(((\$116,670,000))
13		<u>\$122,735,000</u>
14	General Fund--Federal Appropriation	(((\$559,000))
15		<u>\$589,000</u>
16	TOTAL APPROPRIATION	(((\$145,740,000))
17		<u>\$151,928,000</u>

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

20 (1) ~~(((\$8,913,000))~~ \$8,944,000 of the general fund--state
21 appropriation for fiscal year 2004 and ~~(((\$20,238,000))~~ \$20,342,000 of
22 the general fund--state appropriation for fiscal year 2005 are provided
23 solely to provide a salary adjustment for state formula certificated
24 instructional staff units in their first seven years of service.
25 Consistent with the statewide certificated instructional staff salary
26 allocation schedule in section 503 of this act, sufficient funding is
27 provided to increase the salary of certificated instructional staff
28 units in the 2003-04 school year and the 2004-05 school year by the
29 following percentages: Three percent for certificated instructional
30 staff in their first and second years of service; two and one-half
31 percent for certificated instructional staff in their third year of
32 service; one and one-half percent for certificated instructional staff
33 in their fourth year of service; one percent for certificated
34 instructional staff in their fifth year of service; and one-half of a
35 percent for certificated instructional staff in their sixth and seventh
36 years of service. These increases will take effect September 1, 2003
37 and September 1, 2004.

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

14 (b) The appropriations include associated incremental fringe
15 benefit allocations at rates of 9.04 percent for school year 2003-04
16 and 9.04 percent for school year 2004-05 for certificated staff.
17 Increases for general apportionment (basic education) are based on the
18 salary allocation schedules and methodology in sections 502 and 503 of
19 this act. Increases for special education result from increases in
20 each district's basic education allocation per student. Increases for
21 educational service districts and institutional education programs are
22 determined by the superintendent of public instruction using the
23 methodology for general apportionment salaries and benefits in sections
24 502 and 503 of this act.

25 (2) \$5,453,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely to provide a salary adjustment for state
27 formula classified staff units of one percent effective on September 1,
28 2004.

29 (a) In order to receive funding provided in this subsection, school
30 districts shall certify to the office of superintendent of public
31 instruction that they will provide the percentage increases in the
32 amounts specified in this subsection. Funds provided in this
33 subsection shall be used exclusively for providing the percentage
34 increases specified in this subsection to classified staff units and
35 shall not be used to supplant any other state or local funding for
36 compensation for these staff.

37 (b) The appropriations include associated incremental fringe
38 benefit allocations at rates of 8.75 percent for the 2004-05 school

1 year for classified staff. The appropriations in this section include
 2 the increased portion of salaries and incremental fringe benefits for
 3 all relevant state-funded school programs in this part V of this act.
 4 Increases for general apportionment (basic education) are based on the
 5 salary allocation schedules and methodology in sections 502 and 503 of
 6 this act. Increases for special education result from increases in
 7 each district's basic education allocation per student. Increases for
 8 educational service districts and institutional education programs are
 9 determined by the superintendent of public instruction using the
 10 methodology for general apportionment salaries and benefits in sections
 11 502 and 503 of this act.

12 (3) The appropriations in this section provide salary adjustments
 13 and incremental fringe benefit allocations based on formula adjustments
 14 as follows:

	School Year	
	2003-04	2004-05
Pupil Transportation (per weighted pupil mile)	<u>\$0.00</u>	<u>\$0.22</u>
Highly Capable (per formula student)	\$0.93	\$1.89
Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
Learning Assistance (per entitlement unit)	\$0.69	((\$1.40)) <u>\$2.94</u>

21 ((~~3~~) ~~\$116,483,000~~) (4) \$117,060,000 is provided for adjustments
 22 to insurance benefit allocations. The maintenance rate for insurance
 23 benefit allocations is \$457.07 per month for the 2003-04 and 2004-05
 24 school years. The appropriations in this section provide for a rate
 25 increase to \$481.31 per month for the 2003-04 school year and \$570.74
 26 per month for the 2004-05 school year at the following rates:

	School Year	
	2003-04	2004-05
Pupil Transportation (per weighted pupil mile)	\$0.22	\$1.03
Highly Capable (per formula student)	\$1.52	\$7.00
Transitional Bilingual Education (per eligible bilingual student)	\$3.92	\$18.40
Learning Assistance (per entitlement unit)	\$3.08	\$14.46

33 ((~~4~~)) (5) The rates specified in this section are subject to
 34 revision each year by the legislature.

1 living within one radius mile of their assigned school multiplied by
2 the per mile reimbursement rate for the school year multiplied by 1.29.

3 (5) Beginning with busses purchased on or after July 1, 2003, the
4 office of superintendent of public instruction shall provide
5 reimbursement funding to a school district only after the
6 superintendent of public instruction determines that the school bus was
7 purchased from the list established pursuant to RCW 28A.160.195(2) or
8 a comparable competitive bid process based on the lowest price quote
9 based on similar bus categories to those used to establish the list
10 pursuant to RCW 28A.160.195. The competitive specifications shall meet
11 federal motor vehicle safety standards, minimum state specifications as
12 established by rule by the superintendent, and supported options as
13 determined by the superintendent in consultation with the regional
14 transportation coordinators of the educational service districts.
15 Within the amounts appropriated in this section, the office of
16 superintendent of public instruction, in conjunction with the state
17 auditor's office, shall review current bidding procedures and processes
18 of school bus purchases in the state for compliance with RCW
19 28A.335.190 and 28A.160.195. The office of superintendent of public
20 instruction and the state auditor's office shall submit a report to
21 fiscal committees of the legislature and the governor with findings and
22 recommendations by November 1, 2004.

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

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
26 **PROGRAMS**

27	General Fund--State Appropriation (FY 2004)	\$3,100,000
28	General Fund--State Appropriation (FY 2005)	\$3,100,000
29	General Fund--Federal Appropriation	(\$272,069,000)
30		<u>\$252,128,000</u>
31	TOTAL APPROPRIATION	(\$278,269,000)
32		<u>\$258,328,000</u>

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

35 (1) \$3,000,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$3,000,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided for state matching money for federal
2 child nutrition programs.

3 (2) \$100,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
5 provided for summer food programs for children in low-income areas.

6 **Sec. 506.** 2003 1st sp.s. c 25 s 507 (uncodified) is amended to
7 read as follows:

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
9 **PROGRAMS**

10	General Fund--State Appropriation (FY 2004)	((\$433,984,000))
11		<u>\$435,061,000</u>
12	General Fund--State Appropriation (FY 2005)	((\$427,214,000))
13		<u>\$427,741,000</u>
14	General Fund--Federal Appropriation	((\$409,637,000))
15		<u>\$425,488,000</u>
16	TOTAL APPROPRIATION	((\$1,270,835,000))
17		<u>\$1,288,290,000</u>

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

20 (1) Funding for special education programs is provided on an excess
21 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
22 that special education students as a class receive their full share of
23 the general apportionment allocation accruing through sections 502 and
24 504 of this act. To the extent a school district cannot provide an
25 appropriate education for special education students under chapter
26 28A.155 RCW through the general apportionment allocation, it shall
27 provide services through the special education excess cost allocation
28 funded in this section.

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

- 33 (i) Special education students are basic education students first;
- 34 (ii) As a class, special education students are entitled to the
35 full basic education allocation; and
- 36 (iii) Special education students are basic education students for
37 the entire school day.

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

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

7 (4) The superintendent of public instruction shall distribute state
8 and federal funds to school districts based on two categories: The
9 optional birth through age two program for special education eligible
10 developmentally delayed infants and toddlers, and the mandatory special
11 education program for special education eligible students ages three to
12 twenty-one. A "special education eligible student" means a student
13 receiving specially designed instruction in accordance with a properly
14 formulated individualized education program.

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

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

21 (ii) A district's annual average full-time equivalent basic
22 education enrollment multiplied by the funded enrollment percent
23 determined pursuant to subsection (6)(b) of this section, multiplied by
24 the district's average basic education allocation per full-time
25 equivalent student multiplied by 0.9309.

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

30 (6) The definitions in this subsection apply throughout this
31 section.

32 (a) "Annual average full-time equivalent basic education
33 enrollment" means the resident enrollment including students enrolled
34 through choice (RCW 28A.225.225) and students from nonhigh districts
35 (RCW 28A.225.210) and excluding students residing in another district
36 enrolled as part of an interdistrict cooperative program (RCW
37 28A.225.250).

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

5 Each district's general fund--state funded special education
6 enrollment shall be the lesser of the district's actual enrollment
7 percent or 12.7 percent. Increases in enrollment percent from 12.7
8 percent to 13.0 percent shall be funded from the general fund--federal
9 appropriation.

10 (7) At the request of any interdistrict cooperative of at least 15
11 districts in which all excess cost services for special education
12 students of the districts are provided by the cooperative, the maximum
13 enrollment percent shall be calculated in accordance with subsection
14 (6)(b) of this section, and shall be calculated in the aggregate rather
15 than individual district units. For purposes of this subsection, the
16 average basic education allocation per full-time equivalent student
17 shall be calculated in the aggregate rather than individual district
18 units.

19 (8) To the extent necessary, \$25,746,000 of the general fund--
20 federal appropriation is provided for safety net awards for districts
21 with demonstrated needs for state special education funding beyond the
22 amounts provided in subsection (5) of this section. If safety net
23 awards exceed the amount appropriated in this subsection (8), the
24 superintendent shall expend all available federal discretionary funds
25 necessary to meet this need. Safety net funds shall be awarded by the
26 state safety net oversight committee subject to the following
27 conditions and limitations:

28 (a) The committee shall consider unmet needs for districts that can
29 convincingly demonstrate that all legitimate expenditures for special
30 education exceed all available revenues from state funding formulas.
31 In the determination of need, the committee shall also consider
32 additional available revenues from federal and local sources.
33 Differences in program costs attributable to district philosophy,
34 service delivery choice, or accounting practices are not a legitimate
35 basis for safety net awards.

36 (b) The committee shall then consider the extraordinary high cost
37 needs of one or more individual special education students.

1 Differences in costs attributable to district philosophy, service
2 delivery choice, or accounting practices are not a legitimate basis for
3 safety net awards.

4 (c) The maximum allowable indirect cost for calculating safety net
5 eligibility may not exceed the federal restricted indirect cost rate
6 for the district plus one percent.

7 (d) Safety net awards shall be adjusted based on the percent of
8 potential medicaid eligible students billed as calculated by the
9 superintendent in accordance with chapter 318, Laws of 1999.

10 (e) Safety net awards must be adjusted for any audit findings or
11 exceptions related to special education funding.

12 (9) The superintendent of public instruction may adopt such rules
13 and procedures as are necessary to administer the special education
14 funding and safety net award process. Prior to revising any standards,
15 procedures, or rules, the superintendent shall consult with the office
16 of financial management and the fiscal committees of the legislature.

17 (10) The safety net oversight committee appointed by the
18 superintendent of public instruction shall consist of:

19 (a) One staff from the office of superintendent of public
20 instruction;

21 (b) Staff of the office of the state auditor; and

22 (c) One or more representatives from school districts or
23 educational service districts knowledgeable of special education
24 programs and funding.

25 (11) A maximum of \$678,000 may be expended from the general fund--
26 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
27 full-time equivalent aides at children's orthopedic hospital and
28 medical center. This amount is in lieu of money provided through the
29 home and hospital allocation and the special education program.

30 (12) \$1,000,000 of the general fund--federal appropriation is
31 provided for projects to provide special education students with
32 appropriate job and independent living skills, including work
33 experience where possible, to facilitate their successful transition
34 out of the public school system. The funds provided by this subsection
35 shall be from federal discretionary grants.

36 (13) The superintendent shall maintain the percentage of federal
37 flow-through to school districts at 85 percent. In addition to other
38 purposes, school districts may use increased federal funds for high-

1 cost students, for purchasing regional special education services from
2 educational service districts, and for staff development activities
3 particularly relating to inclusion issues.

4 (14) A maximum of \$1,200,000 of the general fund--federal
5 appropriation may be expended by the superintendent for projects
6 related to use of inclusion strategies by school districts for
7 provision of special education services. The superintendent shall
8 prepare an information database on laws, best practices, examples of
9 programs, and recommended resources. The information may be
10 disseminated in a variety of ways, including workshops and other staff
11 development activities.

12 (15) A school district may carry over from one year to the next
13 year up to 10 percent of general fund--state funds allocated under this
14 program; however, carry over funds shall be expended in the special
15 education program.

16 **Sec. 507.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to
17 read as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
19 **ASSISTANCE**

20	General Fund--State Appropriation (FY 2004)	((\$162,236,000))
21		<u>\$163,049,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$167,073,000))
23		<u>\$161,945,000</u>
24	TOTAL APPROPRIATION	((\$329,309,000))
25		<u>\$324,994,000</u>

26 **Sec. 508.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
29 **EDUCATION PROGRAMS**

30	General Fund--State Appropriation (FY 2004)	((\$18,596,000))
31		<u>\$18,207,000</u>
32	General Fund--State Appropriation (FY 2005)	((\$19,092,000))
33		<u>\$18,175,000</u>
34	TOTAL APPROPRIATION	((\$37,688,000))
35		<u>\$36,382,000</u>

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

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

6 (2) State funding provided under this section is based on salaries
7 and other expenditures for a 220-day school year. The superintendent
8 of public instruction shall monitor school district expenditure plans
9 for institutional education programs to ensure that districts plan for
10 a full-time summer program.

11 (3) State funding for each institutional education program shall be
12 based on the institution's annual average full-time equivalent student
13 enrollment. Staffing ratios for each category of institution shall
14 remain the same as those funded in the 1995-97 biennium.

15 (4) The funded staffing ratios for education programs for juveniles
16 age 18 or less in department of corrections facilities shall be the
17 same as those provided in the 1997-99 biennium.

18 (5) (~~(\$279,000)~~) \$190,000 of the general fund--state appropriation
19 for fiscal year 2004 and (~~(\$286,000)~~) \$142,000 of the general fund--
20 state appropriation for fiscal year 2005 are provided solely to
21 maintain at least one certificated instructional staff and related
22 support services at an institution whenever the K-12 enrollment is not
23 sufficient to support one full-time equivalent certificated
24 instructional staff to furnish the educational program. The following
25 types of institutions are included: Residential programs under the
26 department of social and health services for developmentally disabled
27 juveniles, programs for juveniles under the department of corrections,
28 and programs for juveniles under the juvenile rehabilitation
29 administration.

30 (6) Ten percent of the funds allocated for each institution may be
31 carried over from one year to the next.

32 **Sec. 509.** 2003 1st sp.s. c 25 s 511 (uncodified) is amended to
33 read as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
35 **CAPABLE STUDENTS**

36 General Fund--State Appropriation (FY 2004) (~~(\$6,597,000)~~)
37 \$6,620,000

1 General Fund--State Appropriation (FY 2005) ((~~\$6,614,000~~))
2 \$6,631,000
3 TOTAL APPROPRIATION ((~~\$13,211,000~~))
4 \$13,251,000

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

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

10 (2) Allocations for school district programs for highly capable
11 students shall be distributed at a maximum rate of \$334.89 per funded
12 student for the 2003-04 school year and \$334.89 per funded student for
13 the 2004-05 school year, exclusive of salary and benefit adjustments
14 pursuant to section 504 of this act. The number of funded students
15 shall be a maximum of two percent of each district's full-time
16 equivalent basic education enrollment.

17 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
18 the fiscal year 2005 appropriation are provided for the centrum program
19 at Fort Worden state park.

20 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
21 the fiscal year 2005 appropriation are provided for the Washington
22 destination imagination network and future problem-solving programs.

23 **Sec. 510.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to
24 read as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
26 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
27 **THE NO CHILD LEFT BEHIND ACT**

28 General Fund--Federal Appropriation ((~~\$46,198,000~~))
29 \$42,817,000

30 **Sec. 511.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to
31 read as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
33 **PROGRAMS**

34 General Fund--State Appropriation (FY 2004) ((~~\$39,107,000~~))
35 \$38,384,000
36 General Fund--State Appropriation (FY 2005) ((~~\$36,501,000~~))

1		<u>\$37,046,000</u>
2	General Fund--Federal Appropriation	((\$128,402,000))
3		<u>\$164,087,000</u>
4	TOTAL APPROPRIATION	((\$204,010,000))
5		<u>\$239,517,000</u>

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

8 (1) \$310,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$310,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the academic achievement and
11 accountability commission.

12 (2) (~~(\$16,050,000)~~) \$15,453,000 of the general fund--state
13 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$12,955,000 of the
14 general fund--state appropriation for fiscal year 2005, and
15 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation
16 are provided solely for development and implementation of the
17 Washington assessments of student learning. Of the general fund--state
18 amounts provided:

19 (a) (~~(\$222,000 in fiscal year 2004 and \$244,000)~~) \$438,000 in
20 fiscal year 2005 (~~(are)~~) is for providing high school students who are
21 not successful in one or more content areas of the Washington
22 assessment of student learning the opportunity to retake the test (~~(and~~
23 ~~\$75,000 of the fiscal year 2004 appropriation is provided for~~
24 ~~developing alternative assessments)~~) as provided in Third Engrossed
25 Substitute House Bill No. 2195 (state academic standards). If Third
26 Engrossed Substitute House Bill No. 2195 is not enacted by June 30,
27 (~~(2003)~~) 2004, the amount(~~(s)~~) in this subsection (a) shall lapse.

28 (b) \$300,000 in fiscal year (~~(2004)~~) 2005 is for independent
29 research on the alignment and technical review of the reading, writing,
30 and science content areas of the Washington assessment of student
31 learning, as provided by Third Engrossed Substitute House Bill No. 2195
32 (state academic standards). If Third Engrossed Substitute House Bill
33 No. 2195 is not enacted by June 30, (~~(2003)~~) 2004, the amount in this
34 subsection (b) shall lapse.

35 (3) \$548,000 of the fiscal year 2004 general fund--state
36 appropriation and \$548,000 of the fiscal year 2005 general fund--state
37 appropriation are provided solely for training of paraprofessional

1 classroom assistants and certificated staff who work with classroom
2 assistants as provided in RCW 28A.415.310.

3 (4) \$2,348,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$2,348,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for mentor teacher assistance,
6 including state support activities, under RCW 28A.415.250 and
7 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
8 this subsection may be used each fiscal year to operate a mentor
9 academy to help districts provide effective training for peer mentors.
10 Funds for the teacher assistance program shall be allocated to school
11 districts based on the number of first year beginning teachers.

12 (a) A teacher assistance program is a program that provides to a
13 first year beginning teacher peer mentor services that include but are
14 not limited to:

15 (i) An orientation process and individualized assistance to help
16 beginning teachers who have been hired prior to the start of the school
17 year prepare for the start of a school year;

18 (ii) The assignment of a peer mentor whose responsibilities to the
19 beginning teacher include but are not limited to constructive feedback,
20 the modeling of instructional strategies, and frequent meetings and
21 other forms of contact;

22 (iii) The provision by peer mentors of strategies, training, and
23 guidance in critical areas such as classroom management, student
24 discipline, curriculum management, instructional skill, assessment,
25 communication skills, and professional conduct. A district may provide
26 these components through a variety of means including one-on-one
27 contact and workshops offered by peer mentors to groups, including
28 cohort groups, of beginning teachers;

29 (iv) The provision of release time, substitutes, mentor training in
30 observation techniques, and other measures for both peer mentors and
31 beginning teachers, to allow each an adequate amount of time to observe
32 the other and to provide the classroom experience that each needs to
33 work together effectively;

34 (v) Assistance in the incorporation of the essential academic
35 learning requirements into instructional plans and in the development
36 of complex teaching strategies, including strategies to raise the
37 achievement of students with diverse learning styles and backgrounds;
38 and

1 (vi) Guidance and assistance in the development and implementation
2 of a professional growth plan. The plan shall include a professional
3 self-evaluation component and one or more informal performance
4 assessments. A peer mentor may not be involved in any evaluation under
5 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
6 assisted through this program.

7 (b) In addition to the services provided in (a) of this subsection,
8 an eligible peer mentor program shall include but is not limited to the
9 following components:

10 (i) Strong collaboration among the peer mentor, the beginning
11 teacher's principal, and the beginning teacher;

12 (ii) Stipends for peer mentors and, at the option of a district,
13 for beginning teachers. The stipends shall not be deemed compensation
14 for the purposes of salary lid compliance under RCW 28A.400.200 and are
15 not subject to the continuing contract provisions of Title 28A RCW; and

16 (iii) To the extent that resources are available for this purpose
17 and that assistance to beginning teachers is not adversely impacted,
18 the program may serve second year and more experienced teachers who
19 request the assistance of peer mentors.

20 (5) \$1,959,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,959,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for improving technology
23 infrastructure, monitoring and reporting on school district technology
24 development, promoting standards for school district technology,
25 promoting statewide coordination and planning for technology
26 development, and providing regional educational technology support
27 centers, including state support activities, under chapter 28A.650 RCW.
28 The superintendent of public instruction shall coordinate a process to
29 facilitate the evaluation and provision of online curriculum courses to
30 school districts which includes the following: Creation of a general
31 listing of the types of available online curriculum courses; a survey
32 conducted by each regional educational technology support center of
33 school districts in its region regarding the types of online curriculum
34 courses desired by school districts; a process to evaluate and
35 recommend to school districts the best online courses in terms of
36 curriculum, student performance, and cost; and assistance to school
37 districts in procuring and providing the courses to students.

1 (6) \$3,594,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$3,594,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for grants to school districts to
4 provide a continuum of care for children and families to help children
5 become ready to learn. Grant proposals from school districts shall
6 contain local plans designed collaboratively with community service
7 providers. If a continuum of care program exists in the area in which
8 the school district is located, the local plan shall provide for
9 coordination with existing programs to the greatest extent possible.
10 Grant funds shall be allocated pursuant to RCW 70.190.040.

11 (7) \$2,500,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$2,500,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for the meals for kids program
14 under RCW 28A.235.145 through 28A.235.155.

15 (8) \$705,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$705,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the leadership internship
18 program for superintendents, principals, and program administrators.

19 (9) A maximum of \$250,000 of the general fund--state appropriation
20 for fiscal year 2004 and a maximum of \$250,000 of the general fund--
21 state appropriation for fiscal year 2005 are provided for summer
22 accountability institutes offered by the superintendent of public
23 instruction and the academic achievement and accountability commission.
24 The institutes shall provide school district staff with training in the
25 analysis of student assessment data, information regarding successful
26 district and school teaching models, research on curriculum and
27 instruction, and planning tools for districts to improve instruction in
28 reading, mathematics, language arts, and guidance and counseling.

29 (10) \$3,713,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$3,713,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the Washington reading corps
32 subject to the following conditions and limitations:

33 (a) Grants shall be allocated to schools and school districts to
34 implement proven, research-based mentoring and tutoring programs in
35 reading that may include research-based reading skills development
36 software for low-performing students in grades K-6. If the grant is
37 made to a school district, the principals of schools enrolling targeted

1 students shall be consulted concerning design and implementation of the
2 program.

3 (b) The programs may be implemented before, after, or during the
4 regular school day, or on Saturdays, summer, intercessions, or other
5 vacation periods.

6 (c) Two or more schools may combine their Washington reading corps
7 programs.

8 (d) A program is eligible for a grant if it meets the following
9 conditions:

10 (i) The program employs methods of teaching and student learning
11 based on reliable reading/literacy research and effective practices;

12 (ii) The program design is comprehensive and includes instruction,
13 on-going student assessment, professional development,
14 parental/community involvement, and program management aligned with the
15 school's reading curriculum;

16 (iii) It provides quality professional development and training for
17 teachers, staff, and volunteer mentors and tutors;

18 (iv) It has measurable goals for student reading aligned with the
19 essential academic learning requirements;

20 (v) It contains an evaluation component to determine the
21 effectiveness of the program; and

22 (vi) The program may include a software-based solution to increase
23 the student/tutor ratio to a minimum of 5:1. The selected software
24 program shall be scientifically researched-based.

25 (e) Funding priority shall be given to low-performing schools.

26 (f) Beginning and end-of-program testing data shall be available to
27 determine the effectiveness of funded programs and practices. Common
28 evaluative criteria across programs, such as grade-level improvements
29 shall be available for each reading corps program. The superintendent
30 of public instruction shall provide program evaluations to the governor
31 and the appropriate committees of the legislature. Administrative and
32 evaluation costs may be assessed from the annual appropriation for the
33 program.

34 (g) Grants provided under this section may be used by schools and
35 school districts for expenditures from September 2003 through August
36 31, 2005.

37 (11) (~~(\$1,564,000)~~) \$1,313,000 of the general fund--state
38 appropriation for fiscal year 2004 and (~~(\$2,497,000)~~) \$2,473,000 of the

1 general fund--state appropriation for fiscal year 2005 are provided
2 solely for salary bonuses for teachers who attain certification by the
3 national board for professional teaching standards, subject to the
4 following conditions and limitations:

5 (a) Teachers who hold a valid certificate from the national board
6 during the 2003-04 or 2004-05 school years shall receive an annual
7 bonus not to exceed \$3,500 in each of these school years in which they
8 hold a national board certificate.

9 (b) The annual bonus shall be paid in a lump sum amount and shall
10 not be included in the definition of "earnable compensation" under RCW
11 41.32.010(10).

12 (12) \$313,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$313,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for a principal support program.
15 The office of the superintendent of public instruction may contract
16 with an independent organization to administer the program. The
17 program shall include: (a) Development of an individualized
18 professional growth plan for a new principal or principal candidate;
19 and (b) participation of a mentor principal who works over a period of
20 between one and three years with the new principal or principal
21 candidate to help him or her build the skills identified as critical to
22 the success of the professional growth plan.

23 (13) \$126,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$126,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided for the development and posting of web-
26 based instructional tools, assessment data, and other information that
27 assists schools and teachers implementing higher academic standards.

28 (14) \$3,046,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$3,046,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely to the office of the
31 superintendent of public instruction for focused assistance. The
32 office of the superintendent of public instruction shall conduct
33 educational audits of low-performing schools and enter into performance
34 agreements between school districts and the office to implement the
35 recommendations of the audit and the community. Each educational audit
36 shall include recommendations for best practices and ways to address
37 identified needs and shall be presented to the community in a public

1 meeting to seek input on ways to implement the audit and its
2 recommendations.

3 (15) \$1,764,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$1,764,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for the mathematics helping corps
6 subject to the following conditions and limitations:

7 (a) In order to increase the availability and quality of technical
8 mathematics assistance statewide, the superintendent of public
9 instruction shall employ mathematics school improvement specialists to
10 provide assistance to schools and districts. The specialists shall be
11 hired by and work under the direction of a statewide school improvement
12 coordinator. The mathematics improvement specialists shall not be
13 permanent employees of the superintendent of public instruction.

14 (b) The school improvement specialists shall provide the following:

15 (i) Assistance to schools to disaggregate student performance data
16 and develop improvement plans based on those data;

17 (ii) Consultation with schools and districts concerning their
18 performance on the Washington assessment of student learning and other
19 assessments emphasizing the performance on the mathematics assessments;

20 (iii) Consultation concerning curricula that aligns with the
21 essential academic learning requirements emphasizing the academic
22 learning requirements for mathematics, the Washington assessment of
23 student learning, and meets the needs of diverse learners;

24 (iv) Assistance in the identification and implementation of
25 research-based instructional practices in mathematics;

26 (v) Staff training that emphasizes effective instructional
27 strategies and classroom-based assessment for mathematics;

28 (vi) Assistance in developing and implementing family and community
29 involvement programs emphasizing mathematics; and

30 (vii) Other assistance to schools and school districts intended to
31 improve student mathematics learning.

32 (16) (~~(\$87,901,000)~~) \$125,000 of the general fund--state
33 appropriation for fiscal year 2004 and \$125,000 of the general fund--
34 state appropriation for fiscal year 2005 are provided for the Tukwila
35 school district and the Selah school district for a two-year project
36 designed to improve the districts' performance in reading and math and
37 to close the achievement gap within the district, subject to the
38 following conditions and limitations:

1 (a) Funds shall be allocated to all schools within the Tukwila
2 school district and Selah school district to implement proven,
3 research-based reading and math intervention software for low-
4 performing students in grades K-12.

5 (b) The programs may be implemented before, during, or after the
6 regular school day, on Saturdays, or summer intercessions.

7 (c) A program is eligible for funding if it meets the following
8 conditions:

9 (i) The program employs methods of teaching and student learning
10 based on reliable research and best practices;

11 (ii) The program design is comprehensive and includes instruction,
12 ongoing student assessment, professional development, and program
13 management aligned with the district's reading and math curriculum;

14 (iii) The program provides quality professional development and
15 training for teachers, staff, and volunteer mentors or tutors;

16 (iv) The program contains an evaluation component to determine the
17 effectiveness of the program, which will be reported to the legislature
18 and the superintendent of public instruction on an annual basis for the
19 duration of the project.

20 (d) Beginning and end-of-program testing data shall be available to
21 determine the effectiveness of funded programs and practices. Common
22 evaluative criteria across programs, such as grade-level improvements,
23 shall be available for each program.

24 (e) All materials related to the project shall be retained by the
25 district at the end of the two-year term.

26 (17) \$125,822,000 of the general fund--federal appropriation is
27 provided for preparing, training, and recruiting high quality teachers
28 and principals under Title II of the no child left behind act.

29 ((~~(17) \$25,046,000~~)) (18) \$25,955,000 of the general fund--federal
30 appropriation is provided for the reading first program under Title I
31 of the no child left behind act.

32 **Sec. 512.** 2003 1st sp.s. c 25 s 514 (uncodified) is amended to
33 read as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
35 **BILINGUAL PROGRAMS**

36 General Fund--State Appropriation (FY 2004) ((~~\$49,791,000~~))
37 \$50,678,000

1	General Fund--State Appropriation (FY 2005)	((\$52,062,000))
2		<u>\$54,046,000</u>
3	General Fund--Federal Appropriation (FY 2005)	((\$46,309,000))
4		<u>\$44,544,000</u>
5	TOTAL APPROPRIATION	((\$148,162,000))
6		<u>\$149,268,000</u>

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

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

12 (2) The superintendent shall distribute a maximum of \$725.11 per
13 eligible bilingual student in the 2003-04 school year and \$725.11 in
14 the 2004-05 school year, exclusive of salary and benefit adjustments
15 provided in section 504 of this act.

16 (3) The superintendent may withhold up to \$700,000 in school year
17 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
18 eligible pupil rates in subsection (2) of this section accordingly, for
19 the central provision of assessments as provided in RCW 28A.180.090 (1)
20 and (2).

21 (4) \$70,000 of the amounts appropriated in this section are
22 provided solely to develop a system for the tracking of current and
23 former transitional bilingual program students.

24 (5) The general fund--federal appropriation in this section is
25 provided for migrant education under Title I Part C and English
26 language acquisition, and language enhancement grants under Title III
27 of the elementary and secondary education act.

28 **Sec. 513.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to
29 read as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
31 **ASSISTANCE PROGRAM**

32	General Fund--State Appropriation (FY 2004)	((\$65,385,000))
33		<u>\$64,366,000</u>
34	General Fund--State Appropriation (FY 2005)	((\$64,051,000))
35		<u>\$62,927,000</u>
36	General Fund--Federal Appropriation	((\$307,178,000))
37		<u>\$301,322,000</u>

1 TOTAL APPROPRIATION ((~~\$436,614,000~~))
2 \$428,615,000

3 (1) The general fund--state appropriations in this section are
4 subject to the following conditions and limitations:

5 (a) Each general fund--state fiscal year appropriation includes
6 such funds as are necessary to complete the school year ending in the
7 fiscal year and for prior fiscal year adjustments.

8 (b) Funding for school district learning assistance programs shall
9 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
10 04 school year and (~~(\$433.03)~~) \$432.52 per funded unit for the 2004-05
11 school year exclusive of salary and benefit adjustments provided under
12 section 504 of this act.

13 (c) For purposes of this section, "test results" refers to the
14 district results from the norm-referenced test administered in the
15 specified grade level. The norm-referenced test results used for the
16 third and sixth grade calculations shall be consistent with the third
17 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

18 (d) A school district's general fund--state funded units shall be
19 the sum of the following:

20 (i) The district's full-time equivalent enrollment in grades K-6,
21 multiplied by the 5-year average 4th grade lowest quartile test results
22 as adjusted for funding purposes in the school years prior to 1999-
23 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
24 shall be phased into the 5-year average on a 1-year lag;

25 (ii) The district's full-time equivalent enrollment in grades 7-9,
26 multiplied by the 5-year average 8th grade lowest quartile test results
27 as adjusted for funding purposes in the school years prior to 1999-
28 2000, multiplied by 0.82. As the 6th grade test becomes available, it
29 shall be phased into the 5-year average for these grades on a 1-year
30 lag;

31 (iii) The district's full-time equivalent enrollment in grades 10-
32 11 multiplied by the 5-year average 11th grade lowest quartile test
33 results, multiplied by 0.82. As the 9th grade test becomes available,
34 it shall be phased into the 5-year average for these grades on a 1-year
35 lag;

36 (iv) If, in the prior school year, the district's percentage of
37 October headcount enrollment in grades K-12 eligible for free and
38 reduced price lunch exceeded the state average, subtract the state

1 average percentage of students eligible for free and reduced price
2 lunch from the district's percentage and multiply the result by the
3 district's K-12 annual average full-time equivalent enrollment for the
4 current school year multiplied by 22.3 percent; and

5 (v) In addition to amounts allocated under (d) of this subsection,
6 for school districts in which the effective Title I Part A (basic
7 program) increase is insufficient to cover the formula change in the
8 multiplier from .92 to .82, a state allocation shall be provided that,
9 when combined with the effective increase in federal Title I Part A
10 (basic program) funds from the 2001-02 school year, is sufficient to
11 cover this amount. The effective Title I Part A (basic program)
12 increase is the current school year federal Title I Part A (basic
13 program) allocation minus the 2001-02 school year federal Title I Part
14 A (basic program) allocation, after the 2001-02 Title I Part A
15 allocation has been inflated by three percent.

16 (2) The general fund--federal appropriation in this section is
17 provided for Title I Part A allocations of the no child left behind act
18 of 2001.

19 (3) A school district may carry over from one year to the next up
20 to 10 percent of the general fund--state funds allocated under this
21 program; however, carryover funds shall be expended for the learning
22 assistance program.

23 **Sec. 514.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to
24 read as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
26 **PROGRAM**

27	Student Achievement Fund--State	
28	Appropriation (FY 2004)	((\$203,123,000))
29		<u>\$206,825,000</u>
30	Student Achievement Fund--State	
31	Appropriation (FY 2005)	((\$195,080,000))
32		<u>\$195,535,000</u>
33	TOTAL APPROPRIATION	((\$398,203,000))
34		<u>\$402,360,000</u>

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

1 (1) Funding for school district student achievement programs shall
2 be allocated at a maximum rate of (~~(\$211.67)~~) \$211.72 per FTE student
3 for the 2003- 04 school year and \$254.00 per FTE student for the 2004-
4 05 school year. For the purposes of this section and in accordance
5 with RCW 84.52.068, FTE student refers to the annual average full-time
6 equivalent enrollment of the school district in grades kindergarten
7 through twelve for the prior school year.

8 (2) The appropriation is allocated for the following uses as
9 specified in RCW 28A.505.210:

10 (a) To reduce class size by hiring certificated elementary
11 classroom teachers in grades K-4 and paying nonemployee-related costs
12 associated with those new teachers;

13 (b) To make selected reductions in class size in grades 5-12, such
14 as small high school writing classes;

15 (c) To provide extended learning opportunities to improve student
16 academic achievement in grades K-12, including, but not limited to,
17 extended school year, extended school day, before-and-after-school
18 programs, special tutoring programs, weekend school programs, summer
19 school, and all-day kindergarten;

20 (d) To provide additional professional development for educators
21 including additional paid time for curriculum and lesson redesign and
22 alignment, training to ensure that instruction is aligned with state
23 standards and student needs, reimbursement for higher education costs
24 related to enhancing teaching skills and knowledge, and mentoring
25 programs to match teachers with skilled, master teachers. The funding
26 shall not be used for salary increases or additional compensation for
27 existing teaching duties, but may be used for extended year and
28 extended day teaching contracts;

29 (e) To provide early assistance for children who need
30 prekindergarten support in order to be successful in school; or

31 (f) To provide improvements or additions to school building
32 facilities which are directly related to the class size reductions and
33 extended learning opportunities under (a) through (c) of this
34 subsection (2).

35 (3) For the 2003-04 school year, the office of the superintendent
36 of public instruction shall distribute ten percent of the school year
37 allocation to districts each month for the months of September through

1 June. For the 2004-05 school year, the superintendent of public
2 instruction shall distribute the school year allocation according to
3 the monthly apportionment schedule defined in RCW 28A.510.250.

4 **Sec. 515.** 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))	((32,427))	<u>32,458</u>
	<u>32,458</u>		
Bothell branch	1,235	1,235	
Tacoma branch	((1,484))	((1,484))	<u>1,494</u>
	<u>1,494</u>		
Washington State University			
Main campus	((17,348))	((17,364))	<u>17,495</u>
	<u>17,479</u>		
Spokane branch	((593))	((593))	<u>616</u>
	<u>616</u>		
Tri-Cities branch	((616))	((616))	<u>633</u>
	<u>633</u>		
Vancouver branch	((1,153))	((1,153))	<u>1,162</u>
	<u>1,162</u>		
Central Washington University	((7,666))	((7,666))	<u>7,809</u>
	<u>7,809</u>		

1	Eastern Washington University	((8,017))	((8,017))	<u>8,150</u>
2		<u>8,150</u>		
3	The Evergreen State College	((3,837))	((3,837))	<u>3,871</u>
4		<u>3,871</u>		
5	Western Washington University	((41,426))	((41,426))	<u>11,242</u>
6		<u>11,242</u>		
7	State Board for Community and Technical Colleges	((426,070))	((426,070))	<u>127,189</u>
8		<u>127,189</u>		
9	Higher Education Coordinating Board	((246))	((500))	<u>506</u>
10		<u>0</u>		

11 (2)(a) In addition to the annual full-time equivalent student
12 enrollments enumerated in this section, funding is provided in (i)
13 section 603 of this act for additional community or technical college
14 full-time equivalent student enrollments in high-demand fields of study
15 and (ii) section 722 of this act (special appropriations to the
16 governor) for additional full-time equivalent transfer student
17 enrollments with junior-class standing.

18 (b) For the state universities, the number of full-time equivalent
19 student enrollments enumerated in this section for the branch campuses
20 are the minimum required enrollment levels for those campuses. At the
21 start of an academic year, the governing board of a state university
22 may transfer full-time equivalent student enrollments from the main
23 campus to one or more branch campus. Intent notice shall be provided
24 to the office of financial management and reassignment of funded
25 enrollment is contingent upon satisfying data needs of the forecast
26 division who is responsible to track and monitor state-supported
27 college enrollment.

28 **Sec. 602.** 2003 1st sp.s. c 25 s 603 (uncodified) is amended to
29 read as follows:

30 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

31	General Fund--State Appropriation (FY 2004)	((507,960,000))	
32			<u>\$509,539,000</u>
33	General Fund--State Appropriation (FY 2005)	((517,854,000))	
34			<u>\$516,164,000</u>
35	Administrative Contingency Account--State		
36	Appropriation	((3,200,000))	
37			<u>\$7,200,000</u>

1 TOTAL APPROPRIATION ((~~\$1,029,014,000~~))

2 \$1,032,903,000

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

5 (1) The technical colleges may increase tuition and fees in excess
6 of the fiscal growth factor to conform with the percentage increase in
7 community college operating fees.

8 (2) \$1,250,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$1,250,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely to increase salaries and related
11 benefits for part-time faculty. The board shall report by January 30,
12 2004, to the office of financial management and legislative fiscal and
13 higher education committees on (a) the distribution of state funds; and
14 (b) wage adjustments for part-time faculty.

15 (3) \$1,250,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$1,250,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for faculty salary increments and
18 associated benefits and may be used in combination with salary and
19 benefit savings from faculty turnover to provide salary increments and
20 associated benefits.

21 (4) \$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 for a program to fund the start-up of new
24 community and technical college programs in rural counties as defined
25 under RCW 43.160.020(12) and in communities impacted by business
26 closures and job reductions. Successful proposals must respond to
27 local economic development strategies and must include a plan to
28 continue programs developed with this funding.

29 (5) \$675,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$675,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for allocation to Clark Community
32 College and Lower Columbia Community College to prepare a total of 168
33 full-time equivalent students for transfer to the engineering and
34 science institute at the Vancouver branch campus of Washington State
35 University. The appropriations in this section are intended to
36 supplement, not supplant, general enrollment allocations by the board
37 to districts named in this subsection.

1 (6) \$640,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$640,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for allocation to twelve college
4 districts identified in (a) through (l) of this subsection to prepare
5 students for transfer to the state technology institute at the Tacoma
6 branch campus of the University of Washington. The appropriations in
7 this section are intended to supplement, not supplant, general
8 enrollment allocations by the board to the districts under (a) through
9 (l) of this subsection:

- 10 (a) Bates Technical College;
- 11 (b) Bellevue Community College;
- 12 (c) Centralia Community College;
- 13 (d) Clover Park Community College;
- 14 (e) Grays Harbor Community College;
- 15 (f) Green River Community College;
- 16 (g) Highline Community College;
- 17 (h) Tacoma Community College;
- 18 (i) Olympic Community College;
- 19 (j) Pierce District;
- 20 (k) Seattle District; and
- 21 (l) South Puget Sound Community College.

22 (7) \$28,761,000 of the general fund--state appropriation for fiscal
23 year 2004 (~~and \$28,761,000~~), \$24,761,000 of the general fund--state
24 appropriation for fiscal year 2005, and \$4,000,000 of the
25 administrative contingency account--state appropriation are provided
26 solely as special funds for training and related support services,
27 including financial aid, as specified in chapter 226, Laws of 1993
28 (employment and training for unemployed workers). Funding is provided
29 to support up to (~~(6,200)~~) 7,219 full-time equivalent students in each
30 fiscal year.

31 (8) \$1,000,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$1,000,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for tuition support for students
34 enrolled in work-based learning programs.

35 (9) \$2,950,000 of the administrative contingency account--state
36 appropriation is provided solely for administration and customized
37 training contracts through the job skills program, which shall be made
38 available broadly and not to the exclusion of private nonprofit

1 baccalaureate degree granting institutions or vocational arts career
2 schools operating in Washington state who partner with a firm,
3 hospital, group, or industry association concerned with commerce,
4 trade, manufacturing, or the provision of services to train current or
5 prospective employees. The state board shall make an annual report by
6 January 1 of each fiscal year to the governor and appropriate policy
7 and fiscal committees of the legislature regarding the implementation
8 of this section listing the scope of grant awards, the distribution of
9 funds by educational sector and region of the state, as well as
10 successful partnerships being supported by these state funds.

11 (10) \$250,000 of the administrative contingency account--state
12 appropriation is provided solely and on a one-time basis to start up a
13 college district consortium organized under the name "alliance for
14 corporate education." Financial operations shall be self-sustaining by
15 no later than June 30, 2005, after which time any amount remaining
16 unexpended from this amount shall lapse.

17 (11) \$50,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$50,000 of the general fund--state appropriation for
19 fiscal year 2005 are solely for higher education student child care
20 matching grants under chapter 28B.135 RCW.

21 (12) \$212,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$212,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided for allocation to Olympic college. The
24 college shall contract with accredited baccalaureate institution(s) to
25 bring a program of upper-division courses to Bremerton. The state
26 board for community and technical colleges shall report to the office
27 of financial management and the fiscal and higher education committees
28 of the legislature on the implementation of this subsection by December
29 1st of each fiscal year.

30 (13) \$6,304,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$6,305,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely to expand enrollment in high-
33 demand fields.

34 (a) High-demand fields means (i) health services, (ii) applied
35 science and engineering, (iii) viticulture and enology, and (iv)
36 expansion of worker retraining programs. The state board shall
37 allocate resources among the four areas specified in this subsection

1 and shall manage a competitive process for awarding resources for
2 health services, viticulture, enology, and applied science and
3 engineering programs.

4 (b) The state board shall provide information on the number of
5 additional headcount and full-time equivalent students enrolled in
6 high-demand fields by November 1 of each fiscal year to the office of
7 financial management and the fiscal and higher education committees of
8 the legislature.

9 (14) \$111,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$86,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to support the development of a
12 comprehensive viticulture (grape growing) and enology (wine making)
13 higher education program in Washington state. From these sums, the
14 state board shall allocate:

15 (a) \$75,000 a year to Walla Walla community college for its
16 associate science and associate arts degree programs for the purpose of
17 vineyard and wine-making equipment purchases, student labor,
18 instructional supplies, field work, and travel expenses;

19 (b) \$25,000 on a one-time basis to Wenatchee community college for
20 the purpose of adapting its orchard employee educational program; and

21 (c) \$22,000 on a one-time basis to Yakima Valley community college
22 for the purpose of vineyard and wine-making equipment and supply
23 purchases.

24 The college districts named in this subsection are encouraged to
25 seek a portion of the high-demand student enrollment funding made
26 available on a competitive basis through the state board to address
27 their respective need for additional instructors and professional
28 staff.

29 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to
30 read as follows:

31 **FOR THE UNIVERSITY OF WASHINGTON**

32	General Fund--State Appropriation (FY 2004)	\$311,628,000
33	General Fund--State Appropriation (FY 2005)	((\$319,584,000))
34		<u>\$322,059,000</u>
35	General Fund--Private/Local Appropriation	\$300,000
36	Death Investigations Account--State	
37	Appropriation	\$261,000

1	Accident Account--State Appropriation	\$5,937,000
2	Medical Aid Account--State Appropriation	\$5,960,000
3	TOTAL APPROPRIATION	(\$643,670,000)
4		<u>\$646,145,000</u>

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

7 (1) \$1,875,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$1,875,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely to create a state resource for
10 technology education in the form of an institute located at the
11 University of Washington, Tacoma. The university will continue to
12 provide undergraduate and graduate degree programs meeting regional
13 technology needs including, but not limited to, computing and software
14 systems. As a condition of these appropriations:

15 (a) The university will work with the state board for community and
16 technical colleges, or individual colleges where necessary, to
17 establish articulation agreements in addition to the existing associate
18 of arts and associate of science transfer degrees. Such agreements
19 shall improve the transferability of students and in particular,
20 students with substantial applied information technology credits.

21 (b) The university will establish performance measures for
22 recruiting, retaining and graduating students, including nontraditional
23 students, and report back to the governor and legislature by September
24 2004 as to its progress and future steps.

25 (2) \$150,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$150,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for research faculty clusters in
28 the advanced technology initiative program.

29 (3) The entire death investigations account appropriation is
30 provided for the forensic pathologist fellowship program.

31 (4) \$150,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$150,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the implementation of the
34 Puget Sound work plan and agency action item UW-01.

35 (5) \$75,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$75,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for the Olympic natural resources
38 center.

1 (6) \$1,526,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$3,096,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for competitively offered
4 recruitment and retention salary adjustments for instructional and
5 research faculty, exempt professional staff, academic administrators,
6 academic librarians, counselors, teaching and research assistants, as
7 classified by the office of financial management, and all other
8 nonclassified staff, but not including employees under RCW 28B.16.015.
9 Tuition revenues may be expended in addition to those required by this
10 section to further provide recruitment and retention salary
11 adjustments.

12 (7) \$1,250,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,250,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for state match to attract or
15 retain federal research grants in high demand and technologically
16 advanced fields.

17 (8) \$300,000 of the general fund--private/local appropriation is
18 provided solely for shellfish biotoxin monitoring as specified in
19 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

20 (9) \$500,000 of the general fund--state appropriation for fiscal
21 year 2005 is provided solely for the establishment of an endowment to
22 support a professor of Korean studies in the Jackson school of
23 international studies. This amount is contingent on receipt of
24 \$1,500,000 of nonstate matching funds. If the nonstate funds are not
25 received by June 30, 2005, the amount provided in this subsection shall
26 lapse.

27 (10) \$675,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely to establish an autism center at the
29 University of Washington Tacoma campus.

30 (11) \$1,300,000 of the general fund--state appropriation for fiscal
31 year 2005 is provided solely for personnel and equipment for the
32 University of Washington proteomics center. This amount shall not be
33 used for the rental or acquisition of real property. This amount is
34 contingent on receipt of \$7,000,000 in one-time nonstate matching
35 funds. If the nonstate matching funds are not received by June 30,
36 2005, the amount provided in this subsection shall lapse.

1 year 2005 are provided solely for competitively offered recruitment and
2 retention salary adjustments for instructional and research faculty,
3 exempt professional staff, academic administrators, academic
4 librarians, counselors, teaching and research assistants, as classified
5 by the office of financial management, and all other nonclassified
6 staff, but not including employees under RCW 28B.16.015. Tuition
7 revenues may be expended in addition to those required by this section
8 to further provide recruitment and retention salary adjustments.

9 (2) The Washington state institute for public policy shall research
10 the following issues and provide reports to the legislature as
11 directed. The institute board shall prioritize and schedule all
12 studies based on staff capacity.

13 (a) \$110,000 of the general fund--state appropriation for fiscal
14 year 2004 is provided solely for the Washington state institute for
15 public policy to review research assessing the effectiveness of
16 prevention and early intervention programs concerning children and
17 youth, including but not limited to, programs designed to reduce the
18 at-risk behaviors for children and youth identified in RCW
19 70.190.010(4).

20 Using this research, the institute shall identify specific
21 research-proven programs that produce a positive return on the dollar
22 compared to the costs of the program. The institute shall also develop
23 criteria designed to ensure quality implementation and program fidelity
24 of research-proven programs in the state. The criteria shall include
25 measures for ongoing monitoring and continual improvement of treatment
26 delivery, and shall be feasible for inclusion in a contract for
27 services. The institute shall develop recommendations for potential
28 state legislation that encourages local government investment in
29 research-proven prevention and early intervention programs by
30 reimbursing local governments for a portion of the savings that accrue
31 to the state as the result of local investments in such programs. The
32 institute shall present a preliminary report of its findings to the
33 appropriate committees of the legislature by December 1, 2003, and
34 shall present a final report by (~~March~~) July 1, 2004.

35 (b) \$26,000 of the general fund--state appropriation for fiscal
36 year 2004 is provided solely for the Washington state institute for
37 public policy to develop adherence and outcome standards for measuring
38 the effectiveness of treatment programs referred to in Chapter 378,

1 Laws of 2003 (ESSB 5903). The standards shall be developed and
2 presented to the governor and legislature by no later than January 1,
3 2004.

4 (c) \$100,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely for the Washington state institute for
6 public policy to study the relationship between prison overcrowding and
7 construction, and the current state criminal sentencing structure.

8 (i) The institute shall determine whether any changes could be made
9 to the current state sentencing structure to address prison
10 overcrowding and the need for new prison construction, giving great
11 weight to the primary purposes of the criminal justice system. These
12 purposes include: Protecting community safety; making frugal use of
13 state and local government resources by concentrating resources on
14 violent offenders and sex offenders who pose the greatest risk to our
15 communities; achieving proportionality in sentencing; and reducing the
16 risk of reoffending by offenders in the community.

17 (ii) In developing its research plan, the institute may consult
18 with the sentencing guidelines commission, the caseload forecast
19 council, and interested stakeholders.

20 (iii) The institute for public policy shall present a preliminary
21 report of its findings to the governor and to the appropriate standing
22 committees of the legislature by December 15, 2003, and shall present
23 a final report regarding its findings and recommendations by March 15,
24 2004.

25 (d) \$12,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$12,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the Washington state institute
28 for public policy to examine the results of the changes in earned
29 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
30 determine whether the changes in earned release affect the rate of
31 recidivism or the type of offenses committed by persons whose release
32 dates were affected by the changes under the bill. The institute shall
33 report its findings to the governor and appropriate committees of the
34 legislature by no later than December 1, 2008.

35 (e) (~~(\$25,000 of the general fund--state appropriation for fiscal~~
36 ~~year 2004 and \$25,000))~~ \$65,000 of the general fund--state
37 appropriation for fiscal year 2005 (~~are~~) is provided solely for the
38 institute for public policy to conduct the evaluation outlined in

1 Second Engrossed Substitute Senate Bill No. 5012 or Second Substitute
2 House Bill No. 2295 (charter schools). If ((the)) neither bill is
3 ((not)) enacted by June 30, ((2003)) 2004, the amount((s)) provided in
4 this subsection shall lapse.

5 (f) \$90,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely for the institute of public policy to
7 conduct the evaluation outlined in Second Substitute Senate Bill No.
8 5914 (higher education opportunities in Vancouver). If the bill is not
9 enacted by June 30, 2004, the amount provided in this subsection shall
10 lapse.

11 (g) \$25,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely for the institute for public policy to
13 examine issues related to the state's transitional bilingual education
14 program. The examination shall include, but is not limited to, a
15 review of the following issues: Trends in enrollment and average
16 length of stay in the transitional bilingual program; the different
17 types of programs and delivery methods that exist in Washington state
18 and other states; the academic and language acquisition effectiveness
19 of different types of programs and service delivery methods; the cost
20 benefits of these different types of programs and service delivery
21 methods; and potential changes that would result in more effective
22 program delivery and cost-effectiveness. The office of superintendent
23 of public instruction shall provide technical assistance and needed
24 data to assist in the institute's examination. The institute shall
25 provide a report of its findings to the governor and appropriate
26 committees of the legislature by December 1, 2004.

27 **Sec. 606.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
28 read as follows:

29 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
30 **ADMINISTRATION**

31	General Fund--State Appropriation (FY 2004)	((\$4,952,000))
32		<u>\$4,973,000</u>
33	General Fund--State Appropriation (FY 2005)	((\$7,716,000))
34		<u>\$10,331,000</u>
35	General Fund--Federal Appropriation	((\$642,000))
36		<u>\$649,000</u>
37	TOTAL APPROPRIATION	((\$13,310,000))

The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) Within the appropriations provided in this section, funds are provided to continue the teacher training pilot program pursuant to chapter 28B.80 RCW until standing authority for this program expires as scheduled on January 1, 2005.

(2) \$175,000 of the general fund--state appropriation for fiscal year 2004 and \$175,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to continue a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.

(3) \$2,755,000 of the general fund--state appropriation for fiscal year 2004 and ~~((5,520,000))~~ \$8,020,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to contract for ~~((246))~~ 247 full-time equivalent students in high demand fields in fiscal year 2004 and an additional ~~((254))~~ 481 full-time equivalent students in high demand fields in fiscal year 2005. High-demand fields are programs where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings. Of the amounts provided, up to \$70,000 may be used for management of the competitive process for awarding high-demand student FTEs during the 2003-05 biennium.

(a) The board will manage a competitive process for awarding high-demand student FTEs. Public baccalaureate institutions and private independent institutions are eligible to apply for funding and may submit proposals ~~((that include cooperative partnerships with private independent institutions))~~.

(b) Among coequals, the board shall make it a priority to fund proposals that prepare students for careers in (i) nursing and other health services; (ii) applied science and engineering; (iii) teaching and speech pathology; (iv) computing and information technology; and (v) viticulture and enology, but not to the exclusion of compelling proposals that document specific regional student and employer demand in fields not listed in this subsection. Proposals and grant awards will separately identify one-time, nonrecurring costs and ongoing costs.

1 (c) The board will establish a proposal review committee that will
2 include, but not be limited to, representatives from the board, the
3 office of financial management, and economic development and labor
4 market analysts. The board will develop the request for proposals,
5 including the criteria for awarding grants, in consultation with the
6 proposal review committee.

7 (d) Baccalaureate institutions that receive grants shall provide
8 the board and the forecast division of the office of financial
9 management with data specified by the board or the office of financial
10 management that shows the impact of this subsection, particularly the
11 degree of improved access to high-demand programs for students and
12 successful job placements for graduates. The board will report on the
13 implementation of this subsection by November 1 of each fiscal year to
14 the office of financial management and the fiscal and higher education
15 committees of the legislature.

16 **Sec. 607.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to
17 read as follows:

18 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
19 **PROGRAMS**

20	General Fund--State Appropriation (FY 2004)	((\$145,217,000))
21		<u>\$145,228,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$154,412,000))
23		<u>\$161,487,000</u>
24	General Fund--Federal Appropriation	((\$7,530,000))
25		<u>\$7,537,000</u>
26	TOTAL APPROPRIATION	((\$307,159,000))
27		<u>\$314,252,000</u>

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

30 (1) \$259,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$273,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for the western interstate
33 commission for higher education.

34 (2) \$1,100,000 of the general fund--state appropriation for fiscal
35 year 2004 and ((~~\$1,100,000~~)) \$3,100,000 of the general fund--state
36 appropriation for fiscal year 2005 are provided solely for the health
37 professional conditional scholarship and loan program under chapter

1 28B.115 RCW. This amount shall be deposited to the health professional
2 loan repayment and scholarship trust fund to carry out the purposes of
3 the program.

4 (3) \$75,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$75,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for higher education student child
7 care matching grants under chapter 28B.135 RCW.

8 (4) \$25,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$25,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the benefit of students who
11 participate in college assistance migrant programs (CAMP) operating in
12 Washington state. To ensure timely state aid, the board may establish
13 a date after which no additional grants would be available for the
14 2003-04 and 2004-05 academic years. The board shall disperse grants in
15 equal amounts to eligible post-secondary institutions so that state
16 money in all cases supplements federal CAMP awards.

17 (5) \$111,628,000 of the general fund--state appropriation for
18 fiscal year 2004 and (~~(\$120,420,000)~~) \$125,283,000 of the general
19 fund--state appropriation for fiscal year 2005 are provided solely for
20 the state need grant program. After April 1 of each fiscal year, up to
21 one percent of the annual appropriation for the state need grant
22 program may be transferred to the state work study program.

23 (6) \$17,048,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$17,048,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the state work study program.
26 After April 1 of each fiscal year, up to one percent of the annual
27 appropriation for the state work study program may be transferred to
28 the state need grant program. In addition to the administrative
29 allowance in subsection (12) of this section, four percent of the
30 general fund--state amount in this subsection may be expended for state
31 work study program administration.

32 (7) \$2,867,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$2,867,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for educational opportunity grants
35 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
36 deposit sufficient funds from its appropriation into the state
37 education trust fund as established in RCW 28B.10.821 to provide a one-

1 year renewal of the grant for each new recipient of the educational
2 opportunity grant award.

3 (8) \$1,919,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$2,155,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely to implement the Washington
6 scholars program. Any Washington scholars program moneys not awarded
7 by April 1st of each year may be transferred by the board to the
8 Washington award for vocational excellence.

9 (9) \$794,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$845,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely to implement Washington award for
12 vocational excellence program. Any Washington award for vocational
13 program moneys not awarded by April 1st of each year may be transferred
14 by the board to the Washington scholars program.

15 (10) \$246,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$246,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for community scholarship matching
18 grants of \$2,000 each. To be eligible for the matching grant, a
19 nonprofit community organization organized under section 501(c)(3) of
20 the internal revenue code must demonstrate that it has raised \$2,000 in
21 new moneys for college scholarships after the effective date of this
22 act. An organization may receive more than one \$2,000 matching grant
23 and preference shall be given to organizations affiliated with the
24 citizens' scholarship foundation.

25 (11) Subject to state need grant service requirements pursuant to
26 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
27 appropriation for fiscal year 2004 and \$6,050,000 of the general fund--
28 state appropriation for fiscal year 2005 are provided solely for the
29 Washington promise scholarship program.

30 (12) \$2,667,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$2,768,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for financial aid administration,
33 in addition to the four percent cost allowance provision for state work
34 study under subsection (6) of this section. These funds are provided
35 to administer all the financial aid and grant programs assigned to the
36 board by the legislature and administered by the agency. To the extent
37 the executive director finds the agency will not require the full sum

1 provided in this subsection, a portion may be transferred to supplement
2 financial grants-in-aid to eligible clients after notifying the board
3 and the office of financial management of the intended transfer.

4 (13) \$539,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$540,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the displaced homemakers
7 program.

8 (14) \$160,000 of the general fund--state appropriation for fiscal
9 year 2005 is provided solely for Washington Center scholarships. The
10 funds shall be used to support college students who participate in
11 Washington Center internships in Washington, D.C.

12 (15) \$30,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$70,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to evaluate the policy
15 alternatives described in this subsection.

16 (a) By December 15, 2004, the board shall provide a report of the
17 evaluation to the governor and the fiscal and higher education
18 committees of the legislature. This evaluation, where appropriate,
19 shall incorporate the analysis and recommendations that are contained
20 in (i) the final strategic master plan for higher education adopted by
21 the board in June 2004 and (ii) the public agenda for higher education
22 as presented and refined by the national collaborative for
23 postsecondary education.

24 (b) For each policy alternative, the board shall identify:

25 (i) The implementation costs in the 2005-07, 2007-09, and 2009-11
26 biennia from both the state general fund and tuition revenue;

27 (ii) The distribution of enrollments by specific institution,
28 location, and type of program;

29 (iii) The allocation to high demand and general enrollments;

30 (iv) The methods of delivery;

31 (v) The capital facility needs to ensure the physical and quality
32 capacity of the institutions; and

33 (vi) The funding needs for financial aid and the implications for
34 students depending on whether these needs are met.

35 (c) The policy alternatives to be evaluated shall include, but are
36 not limited to:

37 (i) Current participation and distribution of enrollments by
38 institution and sector are maintained; general fund subsidy and total

1 funding increase at the rate of the consumer price index; no capital
2 funding is provided to increase capacity; and the state need grant
3 policies are maintained;

4 (ii) Graduation rates and participation rates are in the top
5 quarter of all states, overall and within each sector, such as
6 community colleges, comprehensive universities, and research
7 universities; enrollments are distributed to sectors and locations
8 based upon population demand, and include evaluation of demand in Puget
9 Sound and southwest Washington; the state general fund subsidy
10 increases to pay for new enrollments at peer averages; total funding
11 increases to peer averages, capital funding increases to meet growth,
12 and current state need grant practices are maintained;

13 (iii) Graduation rates and participation rates are in the top
14 quarter of all states, overall and within each sector; enrollments are
15 distributed to sectors and locations based upon population demand, and
16 include evaluation of demand in Puget Sound and southwest Washington;
17 state general fund increases pay for estimated increases in financial
18 need; total funding increases to peer averages, capital funding
19 increases to meet growth, and current state need grant practices are
20 maintained, plus state funding to meet increased need;

21 (iv) The tuition levels necessary to achieve total funding per
22 student to average level in other states;

23 (v) Financial aid increases so that half of all students are able
24 to graduate debt free based on information provided to the institutions
25 of higher education, and, for those who have loan repayment
26 obligations, the obligations do not exceed 10 percent of graduates'
27 average annual post-graduation income; and

28 (vi) Engaging private independent colleges by replacing the state
29 general fund subsidy for public institutions with vouchers, which
30 students may use at any accredited higher education institution.

31 (d) In evaluating these policy alternatives, the board shall
32 construct a simulation model of the impacts and costs. The purpose of
33 the model is to assist the legislature and governor in evaluating
34 various investment alternatives. The board shall consult with the
35 office of financial management, staff of the legislative fiscal and
36 higher education committees, and public and private higher education
37 institutions to refine the policy alternatives and delineate the
38 content of the model. The public institutions, the office of financial

1 management, and the legislative evaluation and accountability program
2 committee shall cooperate with the board in providing information to
3 construct the model. The model shall be operational by December 15,
4 2004.

(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)~~)
\$562,886,000

General Fund--State Appropriation (FY 2005) (~~(\$626,814,000)~~)
\$628,766,000

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)~~)
\$1,223,013,000

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 \$3,472,000

3 **Sec. 704.** 2003 1st sp.s. c 25 s 709 (uncodified) is amended to
4 read as follows:

5 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

6 General Fund--State Appropriation (FY 2004) \$8,243,000
7 General Fund--State Appropriation (FY 2005) ((~~\$38,879,000~~))
8 \$30,205,000

9 Dedicated Funds and Accounts Appropriation ((~~\$41,232,000~~))
10 \$37,030,000

11 TOTAL APPROPRIATION ((~~\$88,354,000~~))
12 \$75,478,000

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

15 (1) The appropriation from dedicated funds and accounts shall be
16 made in the amounts specified and from the dedicated funds and accounts
17 specified in (a) LEAP document 2003-38, a computerized tabulation
18 developed by the legislative evaluation and accountability program
19 committee on June 2, 2003, and (b) LEAP document 2004-38 dated February
20 20, 2004, which ((is)) are hereby incorporated by reference. The
21 office of financial management shall allocate the moneys appropriated
22 in this section in the amounts specified and to the state agencies
23 specified in LEAP document 2003-38 and LEAP document 2004-38, and
24 adjust appropriation schedules accordingly.

25 (2)(a) The monthly employer funding rate for insurance benefit
26 premiums, public employees' benefits board administration, and the
27 uniform medical plan, shall not exceed \$504.89 per eligible employee
28 for fiscal year 2004, and ((~~\$592.30~~)) \$578.84 for fiscal year 2005.

29 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
30 employee shall be included in the employer funding rate for fiscal year
31 2004, and \$2.11 per eligible employee shall be included in the employer
32 funding rate for fiscal year 2005, solely to increase life insurance
33 coverage in accordance with a court approved settlement in *Burbage et*
34 *al. v. State of Washington* (Thurston county superior court cause no.
35 94-2-02560-8).

36 (c) In order to achieve the level of funding provided for health
37 benefits, the public employees' benefits board shall require any or all

1 of the following: Employee premium copayments, increases in point-of-
2 service cost sharing, the implementation of managed competition, or
3 make other changes to benefits consistent with RCW 41.05.065.

4 (d) The health care authority shall deposit any moneys received on
5 behalf of the uniform medical plan as a result of rebates on
6 prescription drugs, audits of hospitals, subrogation payments, or any
7 other moneys recovered as a result of prior uniform medical plan claims
8 payments, into the public employees' and retirees' insurance account to
9 be used for insurance benefits. Such receipts shall not be used for
10 administrative expenditures.

11 (3) The health care authority, subject to the approval of the
12 public employees' benefits board, shall provide subsidies for health
13 benefit premiums to eligible retired or disabled public employees and
14 school district employees who are eligible for parts A and B of
15 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
16 December 31, 2004, the subsidy shall be \$102.35. Starting January 1,
17 2005, the subsidy shall be \$116.19 per month.

18 (4) Technical colleges, school districts, and educational service
19 districts shall remit to the health care authority for deposit into the
20 public employees' and retirees' insurance account established in RCW
21 41.05.120 the following amounts:

22 (a) For each full-time employee, \$42.76 per month beginning
23 September 1, 2003, and \$49.14 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) The appropriations in this section include amounts sufficient
36 to fund health benefits for ferry workers at the premium levels
37 specified in subsection (2) of this section, consistent with the 2003-
38 2005 transportation appropriations act.

1 described in subsection (1) of this section, the moneys may be expended
2 as an unanticipated receipt under RCW 43.79.270 and 43.79.280, subject
3 to the following conditions and limitations:

4 (a) The moneys shall be expended in the manner required by the
5 federal act;

6 (b) The federal moneys shall be expended for necessary state
7 services and in a manner that will maximize the conservation of state
8 moneys, which shall be placed in reserve status and remain unexpended;
9 and

10 (c) The director of financial management shall notify the
11 appropriate legislative fiscal committees of proposed allotment
12 modifications prior to expenditure of the federal moneys.

13 **Sec. 707.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to
14 read as follows:

15 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

16 General Fund--State Appropriation (FY 2005) (\$10,638,000)
17 Dedicated Funds and Accounts Appropriation (\$4,572,000)
18 TOTAL APPROPRIATION (\$15,210,000)

19 The appropriations in this section are subject to the following
20 conditions and limitations: The office of financial management shall
21 (~~reduce allotments for all agencies by \$10,638,000 from 2003-05~~
22 ~~biennial general fund appropriations in this act~~) update agency
23 appropriation schedules to reflect the reduction in contributions to
24 the liability account(~~(. The general fund allotment reduction shall be~~
25 ~~placed in unallotted status and remain unexpended)~~) as identified by
26 agency and account in OFM document 2004-02 dated December 18, 2003,
27 which is hereby incorporated by reference.

28 NEW SECTION. **Sec. 708.** A new section is added to 2003 1st sp.s.
29 c 25 (uncodified) to read as follows:

30 **AGENCY EXPENDITURES FOR TORT LIABILITY.** The office of financial
31 management shall reduce allotments for all agencies by \$10,000,000 from
32 fiscal year 2005 general fund--state appropriations in this act to
33 reflect the reduction in state tort liability under Engrossed
34 Substitute Senate Bill No. 5728 (civil liability reform). The general
35 fund allotment reduction shall be placed in unallotted status and
36 remain unexpended.

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--MADER LAWSUIT SETTLEMENT**

2 General Fund--State Appropriation (FY 2005) \$11,000,000

3 The appropriation in this section is provided solely for the
4 purposes of settling all claims in *Mader et al. v. Health Care*
5 *Authority and State of Washington* (cause number 98-2-30850-8SEA). The
6 expenditure of this appropriation is contingent on the release of all
7 claims in the case, and total settlement costs shall not exceed the
8 appropriation in this section.

9 If settlement is not executed by June 30, 2004, the appropriation
10 in this section shall lapse.

11 NEW SECTION. **Sec. 713.** A new section is added to 2003 1st sp.s.
12 c 25 (uncodified) to read as follows:

13 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--MILITARY LEAVE**

14 General Fund--State Appropriation (FY 2005) \$1,000,000

15 The appropriation in this section is provided solely for the
16 purpose of distribution to agencies to defray the cost of Second
17 Substitute Senate Bill No. 6578 (military leave). If the bill is not
18 enacted by June 30, 2004, the appropriation in this section shall
19 lapse.

20 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.
21 c 25 (uncodified) to read as follows:

22 The office of financial management shall reduce allotments for all
23 agencies for personal service contracts, equipment, and travel by
24 \$11,400,000 from fiscal year 2005 general fund--state appropriations in
25 this act to reflect the elimination of expenditures identified in LEAP
26 document 2004-32, a computerized tabulation developed by the
27 legislative evaluation and accountability program committee on January
28 23, 2004. The general fund allotment reduction shall be placed in
29 unallotted status and remain unexpended.

(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~~)) \$39,860,559

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 \$270,755,175

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 \$7,285,437
 24 Municipal Sale/Use Tax Equalization Account:
 25 For transfer to the state general fund for
 26 fiscal year 2004 \$374,000
 27 Asbestos Account: For transfer to the state
 28 general fund \$200,000
 29 Electrical License Account: For transfer
 30 to the state general fund \$7,000,000
 31 Local Toxics Control Account: For transfer
 32 to the state toxics control account \$4,059,000
 33 Pressure Systems Safety Account: For transfer
 34 to the state general fund \$1,000,000
 35 Health Services Account: For transfer
 36 to the water quality account \$8,182,000
 37 State Treasurer's Service Account: For

1 From the Emergency Reserve Fund: For transfer
2 to the state general fund, not to exceed
3 the actual balance of the emergency reserve fund.
4 This transfer is intended to liquidate the
5 emergency reserve fund ((~~\$59,350,000~~))
6 \$58,100,000
7 Department of Retirement Systems Expense Account:
8 For transfer to the state general fund ((~~\$1,500,000~~))
9 \$5,500,000
10 Woodstove Education and Enforcement Account:
11 For transfer to the air pollution control account \$600,000
12 Multimodal Transportation Account: For transfer
13 to the air pollution control account for
14 fiscal year 2004. The amount transferred
15 shall be deposited into the segregated
16 subaccount of the air pollution control
17 account created in Engrossed Substitute
18 Senate Bill No. 6072, chapter 264, Laws of
19 2003. The state treasurer shall perform the
20 transfer from the multimodal transportation
21 account to the air pollution control subaccount
22 on a quarterly basis \$4,170,726
23 Multimodal Transportation Account: For transfer
24 to the vessel response account for fiscal
25 year 2004 \$1,213,704
26 Resource Management Cost Account: For transfer
27 to the contract harvesting revolving account \$250,000
28 Forest Development Account: For transfer to the
29 contract harvesting revolving account \$250,000
30 Site Closure Account: For transfer to the
31 state general fund \$13,800,000
32 Health Services Account: For transfer to the
33 general fund--state for fiscal year 2005 ((~~\$1,250,000~~))
34 \$78,948,000
35 K-20 Technology Account: For transfer to the state
36 general fund \$1,281
37 Education Technology Revolving Fund: For transfer
38 to the state general fund \$954,000

1 Gambling Revolving Fund: For transfer to the
2 state general fund \$3,000,000
3 State Building Construction Account: For transfer
4 to the conservation assistance revolving account \$500,000
5 Wildlife Account: For transfer to the special
6 wildlife account, \$250,000 in fiscal year 2004
7 and \$250,000 in fiscal year 2005 \$500,000

8 **Sec. 803.** 2003 1st sp.s. c 25 s 806 (uncodified) is amended to
9 read as follows:

10 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS**

11 General Fund--State Appropriation: For
12 transfer to the department of retirement
13 systems expense account: For the
14 administrative expenses of the judicial
15 retirement system (~~(\$21,901)~~)
16 \$12,000

(End of part)

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 state general fund
13 such amounts as reflect the excess fund balance of the fund ~~((and~~
14 ~~reductions made by the 2002 supplemental appropriations act for~~
15 ~~administrative efficiencies and savings))~~. The commission shall not
16 increase fees for the purpose of restoring the excess fund balance
17 transferred under this section.

18 **Sec. 904.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
19 to read as follows:

20 (1) The proceeds from the sale of the bonds authorized herein shall
21 be deposited in the state building construction account which is hereby
22 established in the state treasury and shall be used exclusively for the
23 purposes of carrying out the provisions of the capital appropriation
24 acts, and for payment of the expense incurred in the printing,
25 issuance, and sale of such bonds.

26 (2) During the 2003-2005 biennium, the legislature may transfer
27 moneys from the state building construction account to the conservation
28 assistance revolving account such amounts as reflect the excess fund
29 balance of the account.

30 **Sec. 905.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
31 read as follows:

32 (1) The director of financial management shall provide all agencies
33 with a complete set of instructions for submitting biennial budget
34 requests to the director at least three months before agency budget
35 documents are due into the office of financial management. The
36 director shall provide agencies and committees that are required under

1 RCW 44.40.070 to develop comprehensive six-year program and financial
2 plans with a complete set of instructions for submitting these program
3 and financial plans at the same time that instructions for submitting
4 other budget requests are provided. The budget document or documents
5 shall consist of the governor's budget message which shall be
6 explanatory of the budget and shall contain an outline of the proposed
7 financial policies of the state for the ensuing fiscal period, as well
8 as an outline of the proposed six-year financial policies where
9 applicable, and shall describe in connection therewith the important
10 features of the budget. The message shall set forth the reasons for
11 salient changes from the previous fiscal period in expenditure and
12 revenue items and shall explain any major changes in financial policy.
13 Attached to the budget message shall be such supporting schedules,
14 exhibits and other explanatory material in respect to both current
15 operations and capital improvements as the governor shall deem to be
16 useful to the legislature. The budget document or documents shall set
17 forth a proposal for expenditures in the ensuing fiscal period, or six-
18 year period where applicable, based upon the estimated revenues and
19 caseloads as approved by the economic and revenue forecast council and
20 caseload forecast council or upon the estimated revenues and caseloads
21 of the office of financial management for those funds, accounts,
22 sources, and programs for which the forecast councils do not prepare an
23 official forecast, including those revenues anticipated to support the
24 six-year programs and financial plans under RCW 44.40.070. In
25 estimating revenues to support financial plans under RCW 44.40.070, the
26 office of financial management shall rely on information and advice
27 from the transportation revenue forecast council. Revenues shall be
28 estimated for such fiscal period from the source and at the rates
29 existing by law at the time of submission of the budget document,
30 including the supplemental budgets submitted in the even-numbered years
31 of a biennium. However, the estimated revenues and caseloads for use
32 in the governor's budget document may be adjusted to reflect budgetary
33 revenue transfers and revenue and caseload estimates dependent upon
34 budgetary assumptions of enrollments, workloads, and caseloads. All
35 adjustments to the approved estimated revenues and caseloads must be
36 set forth in the budget document. The governor may additionally
37 submit, as an appendix to each supplemental, biennial, or six-year

1 agency budget or to the budget document or documents, a proposal for
2 expenditures in the ensuing fiscal period from revenue sources derived
3 from proposed changes in existing statutes.

4 Supplemental and biennial documents shall reflect a six-year
5 expenditure plan consistent with estimated revenues from existing
6 sources and at existing rates for those agencies required to submit
7 six-year program and financial plans under RCW 44.40.070. Any
8 additional revenue resulting from proposed changes to existing statutes
9 shall be separately identified within the document as well as related
10 expenditures for the six-year period.

11 The budget document or documents shall also contain:

12 (a) Revenues classified by fund and source for the immediately past
13 fiscal period, those received or anticipated for the current fiscal
14 period, those anticipated for the ensuing biennium, and those
15 anticipated for the ensuing six-year period to support the six-year
16 programs and financial plans required under RCW 44.40.070;

17 (b) The undesignated fund balance or deficit, by fund;

18 (c) Such additional information dealing with expenditures,
19 revenues, workload, performance, and personnel as the legislature may
20 direct by law or concurrent resolution;

21 (d) Such additional information dealing with revenues and
22 expenditures as the governor shall deem pertinent and useful to the
23 legislature;

24 (e) Tabulations showing expenditures classified by fund, function,
25 activity, and agency. However, documents submitted for the ((2003-05))
26 2005-07 biennial budget request need not show expenditures by activity;

27 (f) A delineation of each agency's activities, including those
28 activities funded from nonbudgeted, nonappropriated sources, including
29 funds maintained outside the state treasury;

30 (g) Identification of all proposed direct expenditures to implement
31 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
32 agency and in total; and

33 (h) Tabulations showing each postretirement adjustment by
34 retirement system established after fiscal year 1991, to include, but
35 not be limited to, estimated total payments made to the end of the
36 previous biennial period, estimated payments for the present biennium,
37 and estimated payments for the ensuing biennium.

1 (2) The budget document or documents shall include detailed
2 estimates of all anticipated revenues applicable to proposed operating
3 or capital expenditures and shall also include all proposed operating
4 or capital expenditures. The total of beginning undesignated fund
5 balance and estimated revenues less working capital and other reserves
6 shall equal or exceed the total of proposed applicable expenditures.
7 The budget document or documents shall further include:

8 (a) Interest, amortization and redemption charges on the state
9 debt;

10 (b) Payments of all reliefs, judgments, and claims;

11 (c) Other statutory expenditures;

12 (d) Expenditures incident to the operation for each agency;

13 (e) Revenues derived from agency operations;

14 (f) Expenditures and revenues shall be given in comparative form
15 showing those incurred or received for the immediately past fiscal
16 period and those anticipated for the current biennium and next ensuing
17 biennium, as well as those required to support the six-year programs
18 and financial plans required under RCW 44.40.070;

19 (g) A showing and explanation of amounts of general fund and other
20 funds obligations for debt service and any transfers of moneys that
21 otherwise would have been available for appropriation;

22 (h) Common school expenditures on a fiscal-year basis;

23 (i) A showing, by agency, of the value and purpose of financing
24 contracts for the lease/purchase or acquisition of personal or real
25 property for the current and ensuing fiscal periods; and

26 (j) A showing and explanation of anticipated amounts of general
27 fund and other funds required to amortize the unfunded actuarial
28 accrued liability of the retirement system specified under chapter
29 41.45 RCW, and the contributions to meet such amortization, stated in
30 total dollars and as a level percentage of total compensation.

31 (3) A separate capital budget document or schedule shall be
32 submitted that will contain the following:

33 (a) A statement setting forth a long-range facilities plan for the
34 state that identifies and includes the highest priority needs within
35 affordable spending levels;

36 (b) A capital program consisting of proposed capital projects for
37 the next biennium and the two biennia succeeding the next biennium
38 consistent with the long-range facilities plan. Inasmuch as is

1 practical, and recognizing emergent needs, the capital program shall
2 reflect the priorities, projects, and spending levels proposed in
3 previously submitted capital budget documents in order to provide a
4 reliable long-range planning tool for the legislature and state
5 agencies;

6 (c) A capital plan consisting of proposed capital spending for at
7 least four biennia succeeding the next biennium;

8 (d) A strategic plan for reducing backlogs of maintenance and
9 repair projects. The plan shall include a prioritized list of specific
10 facility deficiencies and capital projects to address the deficiencies
11 for each agency, cost estimates for each project, a schedule for
12 completing projects over a reasonable period of time, and
13 identification of normal maintenance activities to reduce future
14 backlogs;

15 (e) A statement of the reason or purpose for a project;

16 (f) Verification that a project is consistent with the provisions
17 set forth in chapter 36.70A RCW;

18 (g) A statement about the proposed site, size, and estimated life
19 of the project, if applicable;

20 (h) Estimated total project cost;

21 (i) For major projects valued over five million dollars, estimated
22 costs for the following project components: Acquisition, consultant
23 services, construction, equipment, project management, and other costs
24 included as part of the project. Project component costs shall be
25 displayed in a standard format defined by the office of financial
26 management to allow comparisons between projects;

27 (j) Estimated total project cost for each phase of the project as
28 defined by the office of financial management;

29 (k) Estimated ensuing biennium costs;

30 (l) Estimated costs beyond the ensuing biennium;

31 (m) Estimated construction start and completion dates;

32 (n) Source and type of funds proposed;

33 (o) Estimated ongoing operating budget costs or savings resulting
34 from the project, including staffing and maintenance costs;

35 (p) For any capital appropriation requested for a state agency for
36 the acquisition of land or the capital improvement of land in which the
37 primary purpose of the acquisition or improvement is recreation or
38 wildlife habitat conservation, the capital budget document, or an

1 omnibus list of recreation and habitat acquisitions provided with the
2 governor's budget document, shall identify the projected costs of
3 operation and maintenance for at least the two biennia succeeding the
4 next biennium. Omnibus lists of habitat and recreation land
5 acquisitions shall include individual project cost estimates for
6 operation and maintenance as well as a total for all state projects
7 included in the list. The document shall identify the source of funds
8 from which the operation and maintenance costs are proposed to be
9 funded;

10 (q) Such other information bearing upon capital projects as the
11 governor deems to be useful;

12 (r) Standard terms, including a standard and uniform definition of
13 normal maintenance, for all capital projects;

14 (s) Such other information as the legislature may direct by law or
15 concurrent resolution.

16 For purposes of this subsection (3), the term "capital project"
17 shall be defined subsequent to the analysis, findings, and
18 recommendations of a joint committee comprised of representatives from
19 the house capital appropriations committee, senate ways and means
20 committee, legislative transportation committee, legislative evaluation
21 and accountability program committee, and office of financial
22 management.

23 (4) No change affecting the comparability of agency or program
24 information relating to expenditures, revenues, workload, performance
25 and personnel shall be made in the format of any budget document or
26 report presented to the legislature under this section or RCW
27 43.88.160(1) relative to the format of the budget document or report
28 which was presented to the previous regular session of the legislature
29 during an odd-numbered year without prior legislative concurrence.
30 Prior legislative concurrence shall consist of (a) a favorable majority
31 vote on the proposal by the standing committees on ways and means of
32 both houses if the legislature is in session or (b) a favorable
33 majority vote on the proposal by members of the legislative evaluation
34 and accountability program committee if the legislature is not in
35 session.

36 **Sec. 906.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
37 read as follows:

1 (1) The K-20 technology account is hereby created in the state
2 treasury. The department of information services shall deposit into
3 the account moneys received from legislative appropriations, gifts,
4 grants, and endowments for the buildout and installation of the K-20
5 telecommunication system. The account shall be subject to
6 appropriation and may be expended solely for the K-20 telecommunication
7 system. Disbursements from the account shall be on authorization of
8 the director of the department of information services with approval of
9 the board.

10 (2) During the 2003-2005 biennium, the legislature may transfer
11 moneys from the K-20 technology account to the state general fund such
12 amounts as reflect the excess fund balance of the account.

13 **Sec. 907.** RCW 43.105.835 and 1999 c 285 s 10 are each amended to
14 read as follows:

15 (1) The education technology revolving fund is created in the
16 custody of the state treasurer. All receipts from billings under
17 subsection (2) of this section must be deposited in the revolving fund.
18 Only the director of the department of information services or the
19 director's designee may authorize expenditures from the fund. The
20 revolving fund shall be used to pay for network operations, transport,
21 equipment, software, supplies, and services, maintenance and
22 depreciation of on-site data, and shared infrastructure, and other
23 costs incidental to the development, operation, and administration of
24 shared educational information technology services, telecommunications,
25 and systems. The revolving fund shall not be used for the acquisition,
26 maintenance, or operations of local telecommunications infrastructure
27 or the maintenance or depreciation of on-premises video equipment
28 specific to a particular institution or group of institutions.

29 (2) The revolving fund and all disbursements from the revolving
30 fund are subject to the allotment procedure under chapter 43.88 RCW,
31 but an appropriation is not required for expenditures. The department
32 of information services shall, in consultation with entities connected
33 to the network under RCW 43.105.820 and subject to the review and
34 approval of the office of financial management, establish and implement
35 a billing structure for network services identified in subsection (1)
36 of this section.

1 (3) The department shall charge those public entities connected to
2 the K-20 telecommunications [telecommunication system] under RCW
3 43.105.820 an annual copayment per unit of transport connection as
4 determined by the legislature after consideration of the K-20 board's
5 recommendations. This copayment shall be deposited into the revolving
6 fund to be used for the purposes in subsection (1) of this section. It
7 is the intent of the legislature to appropriate to the revolving fund
8 such moneys as necessary to cover the costs for transport, maintenance,
9 and depreciation of data equipment located at the individual public
10 institutions, maintenance and depreciation of the network backbone, and
11 services provided to the network under RCW 43.105.815.

12 (4) During the 2003-05 biennium, the legislature may transfer
13 moneys from the education technology revolving fund to the state
14 general fund and the data processing revolving fund such amounts as
15 reflect the excess fund balance of the account.

16 NEW SECTION. Sec. 908. A new section is added to chapter 43.180
17 RCW to read as follows:

18 **HOUSING FINANCE COMMISSION.** For the period July 1, 2004, through
19 June 30, 2005, the housing finance commission may not allocate federal
20 low-income housing tax credits or otherwise authorize or support any
21 project providing housing assistance to drug and alcohol abusers unless
22 the project also provides treatment for the drug and alcohol abuse and
23 limits access to drugs and alcohol.

24 **Sec. 909.** 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, methamphetamine response, crime labs, Washington
9 state patrol special weapons and tactics teams, and grants to community
10 networks under chapter 70.190 RCW by the family policy council.

11 NEW SECTION. **Sec. 910.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

15 NEW SECTION. **Sec. 911.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately.

(End of part)

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