
**PROPOSED SENATE 2004
SUPPLEMENTAL BUDGET BILL
(ESSB 6107)**

SENATE FLOOR



**SENATE WAYS AND MEANS COMMITTEE
FEBRUARY 25, 2004**

1 **FOR THE HOUSE OF REPRESENTATIVES**

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

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

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

16 **FOR THE SENATE**

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

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

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

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

32	General Fund--State Appropriation (FY 2004)	\$1,627,000
33	General Fund--State Appropriation (FY 2005)	(\$1,717,000)
34		<u>\$2,192,000</u>
35	TOTAL APPROPRIATION	(\$3,344,000)
36		<u>\$3,819,000</u>

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

22 (6) \$25,000 of the fiscal year 2005 general fund--state
23 appropriation is provided solely for a study evaluating the state's
24 current rules related to the licensing and testing requirements for
25 heating, ventilation and air conditioning contractors and installers.
26 The study shall develop recommendations for modifications in licensing
27 and testing requirements.

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

30 **FOR THE SUPREME COURT**

31	General Fund--State Appropriation (FY 2004)	((<u>\$5,462,000</u>))
32		<u>\$5,478,000</u>
33	General Fund--State Appropriation (FY 2005)	((<u>\$5,665,000</u>))
34		<u>\$5,764,000</u>
35	TOTAL APPROPRIATION	((<u>\$11,127,000</u>))
36		<u>\$11,242,000</u>

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

3 **FOR THE LAW LIBRARY**

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

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

11 **FOR THE COURT OF APPEALS**

12	General Fund--State Appropriation (FY 2004)	((\$12,510,000))
13		<u>\$12,526,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$12,747,000))
15		<u>\$12,975,000</u>
16	TOTAL APPROPRIATION	((\$25,257,000))
17		<u>\$25,501,000</u>

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

20 **FOR THE ADMINISTRATOR FOR THE COURTS**

21	General Fund--State Appropriation (FY 2004)	((\$17,295,000))
22		<u>\$17,374,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$17,340,000))
24		<u>\$18,036,000</u>
25	Public Safety and Education Account--State	
26	Appropriation	((\$43,389,000))
27		<u>\$43,534,000</u>
28	Judicial Information Systems Account--State	
29	Appropriation	((\$27,903,000))
30		<u>\$31,803,000</u>
31	TOTAL APPROPRIATION	((\$105,927,000))
32		<u>\$110,747,000</u>

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

- 35 (1) The judicial information systems account appropriation shall be

1 used for the operations and maintenance of technology systems that
2 improve services provided by the supreme court, the court of appeals,
3 the office of public defense, and the administrator for the courts.

4 (2) \$750,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$750,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for court-appointed special
7 advocates in dependency matters. The administrator for the courts,
8 after consulting with the association of juvenile court administrators
9 and the association of court-appointed special advocate/guardian ad
10 litem programs, shall distribute the funds to volunteer court-appointed
11 special advocate/guardian ad litem programs. The distribution of
12 funding shall be based on the number of children who need volunteer
13 court-appointed special advocate representation and shall be equally
14 accessible to all volunteer court-appointed special advocate/guardian
15 ad litem programs. The administrator for the courts shall not retain
16 more than six percent of total funding to cover administrative or any
17 other agency costs.

18 (3) (~~(\$12,572,000)~~) \$16,172,000 of the judicial information systems
19 account--state appropriation is provided solely for improvements and
20 enhancements to the judicial information system. (~~(This funding shall~~
21 ~~only be expended after the office of the administrator for the courts~~
22 ~~certifies to the office of financial management that there will be at~~
23 ~~least a \$1,000,000 ending fund balance in the judicial information~~
24 ~~systems account at the end of the 2003-05 biennium.)) Of this amount,
25 \$1,100,000 is provided solely for disaster recovery planning,
26 equipment, and testing for the judicial information system.~~

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

35 (5) \$13,224,000 of the public safety and education account--state
36 appropriation is provided solely for distribution to county juvenile
37 court administrators to fund the costs of processing truancy, children
38 in need of services, and at-risk youth petitions. The office of the

1 administrator for the courts shall not retain any portion of these
2 funds to cover administrative costs. The office of the administrator
3 for the courts, in conjunction with the juvenile court administrators,
4 shall develop an equitable funding distribution formula. The formula
5 shall neither reward counties with higher than average per-petition
6 processing costs nor shall it penalize counties with lower than average
7 per-petition processing costs.

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

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

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

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

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

3 **FOR THE SECRETARY OF STATE**

4	General Fund--State Appropriation (FY 2004)	((\$24,336,000))
5		<u>\$18,298,000</u>
6	General Fund--State Appropriation (FY 2005)	\$17,092,000
7	General Fund--Federal Appropriation	\$6,967,000
8	Archives and Records Management Account--State	
9	Appropriation	((\$8,150,000))
10		<u>\$8,414,000</u>
11	Department of Personnel Service Account--State	
12	Appropriation	\$699,000
13	<u>Election Account--State Appropriation</u>	<u>\$3,140,000</u>
14	Election Account--Federal Appropriation	((\$13,121,000))
15		<u>\$33,121,000</u>
16	Local Government Archives Account--State Appropriation ((\$7,067,000))	
17		<u>\$9,010,000</u>
18	TOTAL APPROPRIATION	((\$77,432,000))
19		<u>\$96,741,000</u>

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

22 (1) \$2,296,000 of the general fund--state appropriation for fiscal
23 year 2004 is provided solely to reimburse counties for the state's
24 share of primary and general election costs and the costs of conducting
25 mandatory recounts on state measures. Counties shall be reimbursed
26 only for those odd-year election costs that the secretary of state
27 validates as eligible for reimbursement.

28 (2) \$1,826,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$2,686,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for the verification of initiative
31 and referendum petitions, maintenance of related voter registration
32 records, and the publication and distribution of the voters and
33 candidates pamphlet.

34 (3) \$125,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$118,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for legal advertising of state
37 measures under RCW 29.27.072.

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

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

19 (c) The nonprofit organization shall prepare an annual independent
20 audit, an annual financial statement, and an annual report, including
21 benchmarks that measure the success of the nonprofit organization in
22 meeting the intent of the program.

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

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

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

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

34 ~~(5) ((\$6,038,000 of the general fund state appropriation for~~
35 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
36 ~~state's share of the cost of conducting the presidential primary.))~~
37 \$252,000 of the archives and records management account--state
38 appropriation and \$1,504,000 of the local government archives account--

1 state appropriation are provided solely for additional facility capital
2 costs, digital archive technology architecture costs, and additional
3 digital archive staff and operational costs, associated with the new
4 eastern regional archives and digital archives facility.

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

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

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

10	General Fund--State Appropriation (FY 2004)	\$228,000
11	General Fund--State Appropriation (FY 2005)	\$239,000
12	TOTAL APPROPRIATION	\$467,000

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

15 **FOR THE STATE TREASURER**

16	State Treasurer's Service Account--State	
17	Appropriation	(\$13,149,000)
18		<u>\$13,463,000</u>

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

21 **FOR THE STATE AUDITOR**

22	General Fund--State Appropriation (FY 2004)	\$701,000
23	General Fund--State Appropriation (FY 2005)	(\$702,000)
24		<u>\$802,000</u>
25	State Auditing Services Revolving Account--State	
26	Appropriation	\$12,810,000
27	TOTAL APPROPRIATION	(\$14,213,000)
28		<u>\$14,313,000</u>

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

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

1 (2) \$701,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$702,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for staff and related costs to
4 verify the accuracy of reported school district data submitted for
5 state funding purposes; conduct school district program audits of state
6 funded public school programs; establish the specific amount of state
7 funding adjustments whenever audit exceptions occur and the amount is
8 not firmly established in the course of regular public school audits;
9 and to assist the state special education safety net committee when
10 requested.

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

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

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

23	General Fund--State Appropriation (FY 2004)	((\$83,000))
24		<u>\$112,000</u>
25	General Fund--State Appropriation (FY 2005)	((\$157,000))
26		<u>\$192,000</u>
27	TOTAL APPROPRIATION	((\$240,000))
28		<u>\$304,000</u>

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

31 **FOR THE ATTORNEY GENERAL**

32	General Fund--State Appropriation (FY 2004)	((\$4,057,000))
33		<u>\$4,345,000</u>
34	General Fund--State Appropriation (FY 2005)	((\$4,109,000))
35		<u>\$4,166,000</u>
36	General Fund--Federal Appropriation	\$2,845,000

1	FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT	
2	General Fund--State Appropriation (FY 2004)	((\$61,459,000))
3		<u>\$61,793,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$60,801,000))
5		<u>\$62,154,000</u>
6	General Fund--Federal Appropriation	((\$213,287,000))
7		<u>\$235,538,000</u>
8	General Fund--Private/Local Appropriation	((\$10,574,000))
9		<u>\$15,066,000</u>
10	Public Safety and Education Account--State	
11	Appropriation	\$10,095,000
12	Public Works Assistance Account--State	
13	Appropriation	((\$1,913,000))
14		<u>\$2,088,000</u>
15	Building Code Council Account--State	
16	Appropriation	\$1,061,000
17	Administrative Contingency Account--State	
18	Appropriation	\$1,776,000
19	Low-Income Weatherization Assistance Account--State	
20	Appropriation	((\$3,293,000))
21		<u>\$8,293,000</u>
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation	\$9,013,000
24	Manufactured Home Installation Training Account--	
25	State Appropriation	\$256,000
26	Community Economic Development Account--	
27	State Appropriation	((\$1,909,000))
28		<u>\$1,581,000</u>
29	Washington Housing Trust Account--State	
30	Appropriation	\$16,740,000
31	Public Facility Construction Loan Revolving	
32	Account--State Appropriation	\$622,000
33	Lead Paint Account--State Appropriation	\$6,000
34	<u>Developmental Disabilities Endowment Trust Fund--</u>	
35	<u>State Appropriation</u>	<u>\$120,000</u>
36	TOTAL APPROPRIATION	((\$392,805,000))
37		<u>\$426,202,000</u>

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

3 (1) \$2,838,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$2,838,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for a contract with the Washington
6 technology center. For work essential to the mission of the Washington
7 technology center and conducted in partnership with universities, the
8 center shall not pay any increased indirect rate nor increases in other
9 indirect charges above the absolute amount paid during the 1995-97
10 fiscal biennium.

11 (2) \$61,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$62,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for the implementation of the
14 Puget Sound work plan and agency action item OCD-01.

15 (3) \$10,180,797 of the general fund--federal appropriation is
16 provided solely for the drug control and system improvement formula
17 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (4) \$125,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$125,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for implementing the industries of
27 the future strategy.

28 (5) \$200,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$200,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for a contract with the Washington
31 manufacturing services.

32 (6) \$205,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$205,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for grants to Washington Columbia
35 River Gorge counties to implement their responsibilities under the
36 national scenic area management plan. Of this amount, \$390,000 is
37 provided for Skamania county and \$20,000 is provided for Clark county.

1 (7) \$50,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$50,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for a contract with international
4 trade alliance of Spokane.

5 (8) \$5,085,000 of the general fund--state appropriation for fiscal
6 year 2004, \$5,085,000 of the general fund--state appropriation for
7 fiscal year 2005, \$4,250,000 of the general fund--federal
8 appropriation, and \$6,145,000 of the Washington housing trust account
9 are provided solely for providing housing and shelter for homeless
10 people, including but not limited to grants to operate, repair, and
11 staff shelters; grants to operate transitional housing; partial
12 payments for rental assistance; consolidated emergency assistance;
13 overnight youth shelters; and emergency shelter assistance.

14 (9) (~~(\$697,000)~~) \$369,000 of the community economic development
15 account appropriation (~~(is)~~) and \$120,000 of the developmental
16 disabilities endowment trust fund appropriation are provided solely for
17 support of the developmental disabilities endowment governing board and
18 costs of the endowment program. The governing board may use
19 appropriations to implement a sliding-scale fee waiver for families
20 earning below 150 percent of the state median family income.

21 (10) \$800,000 of the general fund--federal appropriation and \$6,000
22 of the lead paint account--state appropriation are provided solely to
23 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).
24 If the bill is not enacted by June 30, 2003, the amounts provided in
25 this subsection shall lapse.

26 (11) (~~(\$300,000)~~) \$125,000 of the general fund--state appropriation
27 for fiscal year 2004 and (~~(\$300,000)~~) \$475,000 of the general fund--
28 state appropriation for fiscal year 2005 are provided solely for the
29 business retention and expansion program to fund contracts with locally
30 based development organizations for local business and job retention
31 activities. In administering new and existing funding for the business
32 retention and expansion program, the department of community, trade,
33 and economic development shall ensure the program is funded at levels
34 that meet or exceed the funding provided in the 2001-2003 biennium.

35 (12) \$200,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$200,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for the tourism office to market
38 Washington state as a travel destination to northwest states,

1 California, and British Columbia. By December 1, 2004, the department
2 shall report to the relevant legislative policy and fiscal committees
3 on the effectiveness of these expenditures.

4 (13) \$200,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$200,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for business development
7 activities to conduct statewide and/or regional business recruitment
8 and client lead generation services. In administering this funding,
9 the department of community, trade, and economic development shall
10 solicit recommendations from a statewide economic development
11 organization representing associate development organizations.

12 (14) \$60,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$60,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the community services block
15 grant program for pass-through to community action agencies.

16 (15) \$26,862,000 of the general fund--state appropriation for
17 fiscal year 2004 and \$26,862,000 of the general fund--state
18 appropriation for fiscal year 2005 are provided solely for providing
19 early childhood education assistance.

20 (16) Within the amounts appropriated in this section, funding is
21 provided for Washington state dues for the Pacific northwest economic
22 region.

23 (17) \$200,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$200,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the foreign offices (overseas
26 representatives) to expand local capacity for China, expand operations
27 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
28 exporters in expanding their sales opportunities.

29 (18) \$600,000 of the public safety and education account
30 appropriation is provided solely for sexual assault prevention and
31 treatment programs.

32 (19) \$65,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$65,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely for a contract with a food
35 distribution program for communities in the southwestern portion of the
36 state and for workers impacted by timber and salmon fishing closures
37 and reductions. The department may not charge administrative overhead
38 or expenses to the funds provided in this subsection.

1 (20) Repayments of outstanding loans granted under RCW 43.63A.600,
2 the mortgage and rental assistance program, shall be remitted to the
3 department, including any current revolving account balances. The
4 department shall contract with a lender or contract collection agent to
5 act as a collection agent of the state. The lender or contract
6 collection agent shall collect payments on outstanding loans, and
7 deposit them into an interest-bearing account. The funds collected
8 shall be remitted to the department quarterly. Interest earned in the
9 account may be retained by the lender or contract collection agent, and
10 shall be considered a fee for processing payments on behalf of the
11 state. Repayments of loans granted under this chapter shall be made to
12 the lender or contract collection agent as long as the loan is
13 outstanding, notwithstanding the repeal of the chapter.

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

17 (22) \$10,208,818 of the general fund--federal appropriation is
18 provided solely for the drug control and system improvement formula
19 grant program, to be distributed in state fiscal year 2005 as follows:

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

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

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

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

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

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

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

37 (h) \$885,526 to the department of social and health services,

1 juvenile rehabilitation administration, to continue youth violence
2 prevention and intervention projects;

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

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

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

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

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

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

26 (23) \$75,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$425,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the purpose of grants to
29 support the base realignment and closure commission process. The
30 department shall develop and implement criteria and procedures such as
31 the types of activities that can be funded by the grants and
32 requirements for local matching funds for the issuance of grants to one
33 organization within: Island county, Kitsap county, Pierce county,
34 Snohomish county, and Spokane county. The department shall use a
35 portion of the funding provided to support the related activities of
36 state agencies as identified by the governor.

37 (24) \$163,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided to the department of community, trade, and

1 economic development for pass through to community voice mail agencies
2 as identified in this subsection, in order for these agencies to
3 provide people in crisis and transition free and personalized voice
4 mail services:

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

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

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

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

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

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

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

12 (h) Council on Homelessness, Vancouver, \$12,500;

13 (i) Chelan-Douglas Community Action, north central Washington,
14 \$13,000;

15 (j) Benton-Franklin Community Action, south central Washington,
16 \$17,500; and

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

18 (25) \$634,000 of the general fund--state appropriation for fiscal
19 year 2004, \$634,000 of the general fund--state appropriation for fiscal
20 year 2005, and \$1,101,000 of the administrative contingency account
21 appropriation are provided solely for contracting with associate
22 development organizations to maintain existing programs.

23 (26) \$150,000 of the general fund--state appropriation for fiscal
24 year 2005 is provided solely to the department of community, trade, and
25 economic development for the northwest orthopaedic institute to develop
26 additional organizational infrastructure to assist community-based
27 musculoskeletal health research.

28 (27) \$300,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely to the department of community, trade, and
30 economic development for the youth assessment center in Pierce county
31 for activities dedicated to reducing the rate of incarceration of
32 juvenile offenders.

33 (28) \$99,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely for the retired senior volunteer program.

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

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

2	General Fund--State Appropriation (FY 2004)	((\$12,662,000))
3		<u>\$12,617,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$12,383,000))
5		<u>\$12,568,000</u>
6	General Fund--Federal Appropriation	((\$23,500,000))
7		<u>\$23,924,000</u>
8	Violence Reduction and Drug Enforcement	
9	Account--State Appropriation	\$242,000
10	State Auditing Services Revolving	
11	Account--State Appropriation	\$25,000
12	TOTAL APPROPRIATION	((\$48,812,000))
13		<u>\$49,376,000</u>

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

16 (1) ((~~\$127,000~~)) \$67,000 of the general fund--state appropriation
17 for fiscal year 2004 and ((~~\$122,000~~)) \$232,000 of the general fund--
18 state appropriation for fiscal year 2005 are provided solely to
19 implement Second Substitute Senate Bill No. 5694 (integrated permit
20 system) and Second Substitute Senate Bill No. 6217 (regulatory
21 improvement center). ((~~If the bill is not enacted by June 30, 2003,~~
22 ~~the amounts provided in this subsection shall lapse.~~)) If Second
23 Substitute Senate Bill No. 6217 is not enacted by June 30, 2004,
24 \$50,000 of the general fund--state appropriation for fiscal year 2005
25 shall lapse.

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

36 (3) \$75,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely for the office of financial management to
38 contract for an evaluation of the costs and benefits of additional

1 efforts aimed at encouraging K-12 employee collective bargaining units
2 to elect coverage under public employee benefits board (PEBB)
3 administered health care plans. This evaluation will include, but is
4 not limited to, the following: A review of current processes for the
5 procurement of health benefit coverage by K-12 employees; an assessment
6 of the costs and benefits for the state, local school districts, and K-
7 12 employees of moving to PEBB administered health care plans; and
8 options for creating incentives for K-12 employee collective bargaining
9 units moving to PEBB administered plans. The office of financial
10 management shall report regarding the results of this study to the
11 governor and the fiscal committees of the legislature by December 1,
12 2004.

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

15 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
16 Administrative Hearings Revolving Account--State
17 Appropriation ((~~\$24,619,000~~))
18 \$26,983,000

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

21 **FOR THE DEPARTMENT OF PERSONNEL**
22 Department of Personnel Service Account--State
23 Appropriation \$16,247,000
24 Higher Education Personnel Services Account--State
25 Appropriation \$1,612,000
26 TOTAL APPROPRIATION \$17,859,000

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

29 (1) The department is authorized to enter into a financing contract
30 for up to ((~~\$32,095,000~~)) \$38,911,000, plus necessary financing
31 expenses and required reserves, pursuant to chapter 39.94 RCW. The
32 contract shall be to purchase, develop, and implement a new statewide
33 payroll system and shall be for a term of not more than twelve years.
34 The legislature recognizes the critical nature of the human resource
35 management system and its relationship to successful implementation of
36 civil service reform, collective bargaining, and the ability to permit

1 contracting out of services to the private sector. Projects of this
 2 size and complexity have many risks associated with their successful
 3 and timely completion, therefore, to help ensure project success, the
 4 department of personnel and the office of financial management shall
 5 jointly report to the legislature by January 15, 2004, on progress
 6 toward implementing the human resource management system. The report
 7 shall include a description of mitigation strategies employed to
 8 address the risks related to: Business requirements not fully defined
 9 at the project outset; short time frame for system implementation; and
 10 delays experienced by other states. The report shall assess the
 11 probability of meeting the system implementation schedule and recommend
 12 contingency strategies as needed. The report shall establish the
 13 timelines, the critical path, and the dependencies for realizing each
 14 of the benefits articulated in the system feasibility study.

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

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

24 **FOR THE BOARD OF TAX APPEALS**

25	General Fund--State Appropriation (FY 2004)	\$1,141,000
26	General Fund--State Appropriation (FY 2005)	(\$988,000)
27		<u>\$1,078,000</u>
28	TOTAL APPROPRIATION	(\$2,129,000)
29		<u>\$2,219,000</u>

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

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

33	OMWBE Enterprises Account--State	
34	Appropriation	\$1,990,000

35 The appropriation in this section is subject to the following
 36 conditions and limitations:

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

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

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

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

13 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

14	General Fund--State Appropriation (FY 2004)	((\$193,000))
15		<u>\$235,000</u>
16	General Fund--State Appropriation (FY 2005)	((\$275,000))
17		<u>\$233,000</u>
18	General Fund--Federal Appropriation	((\$3,215,000))
19		<u>\$3,865,000</u>
20	General Administration Services Account--State	
21	Appropriation	((\$38,086,000))
22		<u>\$38,856,000</u>
23	TOTAL APPROPRIATION	((\$41,769,000))
24		<u>\$43,189,000</u>

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

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

28	Dependent Care Administrative Account--State	
29	Appropriation	\$384,000
30	Department of Retirement Systems Expense Account--	
31	State Appropriation	((\$44,485,000))
32		<u>\$44,899,000</u>
33	TOTAL APPROPRIATION	((\$44,869,000))
34		<u>\$45,283,000</u>

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

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

4 (2) \$1,678,000 of the retirement systems expense account
5 appropriation is provided solely to implement House Bill No. 2197,
6 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'
7 plan 2 board implementation).

8 (3) \$2,083,000 of the retirement systems expense account
9 appropriation is provided solely for the support of the information
10 systems project known as the electronic document image management
11 system.

12 (4) \$124,000 of the department of retirement systems expense
13 account--state appropriation is provided solely to implement Senate
14 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'
15 retirement credit).

16 (5) \$77,000 of the department of retirement systems expense
17 account--state appropriation is provided solely to implement Senate
18 Bill No. 5100, chapter 32, Laws of 2003 (fallen hero survivor
19 benefits).

20 (6) \$21,000 of the department of retirement systems expense
21 account--state appropriation is provided solely to implement House Bill
22 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

23 (7) \$30,000 of the department of retirement systems expense
24 account--state appropriation is provided solely to implement House Bill
25 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

26 (8) \$324,000 of the department of retirement systems expense
27 account--state appropriation is provided solely to implement Substitute
28 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

29 (9) \$125,000 of the department of retirement systems expense
30 account--state appropriation is provided solely to implement Substitute
31 House Bill No. 1202, chapter 293, Laws of 2003 (emergency medical
32 technicians' retirement).

33 (10) \$98,000 of the department of retirement systems expense
34 account--state appropriation is provided solely to implement Senate
35 Bill No. 6247 (retirement vesting). If the bill is not enacted by June
36 30, 2004, the amount provided in this subsection shall lapse.

37 (11) \$128,000 of the department of retirement systems expense
38 account--state appropriation is provided solely to implement Substitute

1 Senate Bill No. 6253 (minimum monthly retirement). If the bill is not
2 enacted by June 30, 2004, the amount provided in this subsection shall
3 lapse.

4 (12) \$188,000 of the department of retirement systems expense
5 account--state appropriation is provided solely to implement Senate
6 Bill No. 6279 (LEOFF disabled members). If the bill is not enacted by
7 June 30, 2004, the amount provided in this subsection shall lapse.

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

10 **FOR THE INSURANCE COMMISSIONER**

11	General Fund--Federal Appropriation	\$631,000
12	Insurance Commissioners Regulatory Account--State	
13	Appropriation	((\$32,307,000))
14		<u>\$33,209,000</u>
15	TOTAL APPROPRIATION	((\$32,938,000))
16		<u>\$33,840,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations: \$200,000 of the insurance commissioner's
19 regulatory account--state appropriation is provided solely to assess
20 conditions in liability insurance markets in Washington. The
21 commissioner will develop and provide information to Washington
22 businesses, insurance agents, and brokers to assist such businesses in
23 obtaining liability insurance coverage. The commissioner will also
24 assist such businesses in determining which Washington agents and
25 brokers have access to authorized and surplus lines insurers writing
26 such liability coverages. The commissioner shall provide this
27 information in a manner that does not discriminate or favor any agent,
28 broker, or insurer writing business directly. Nothing in this section
29 shall impair the authority of the commissioner to activate a market
30 assistance plan under RCW 48.22.050.

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

33 **FOR THE HORSE RACING COMMISSION**

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

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 (4) No moneys under this appropriation shall be expended for
5 authorizing or adopting a new alcohol impact area under chapter 314-12
6 WAC or for making additional modifications to an existing alcohol
7 impact area under chapter 314-12 WAC.

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

10 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

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

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

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

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

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

1 for response and recovery costs associated with the February 28, 2001,
2 earthquake. The military department shall submit a report quarterly to
3 the office of financial management and the legislative fiscal
4 committees detailing earthquake recovery costs, including: (a)
5 Estimates of total costs; (b) incremental changes from the previous
6 estimate; (c) actual expenditures; (d) estimates of total remaining
7 costs to be paid; and (e) estimates of future payments by biennium.
8 This information shall be displayed by fund, by type of assistance, and
9 by amount paid on behalf of state agencies or local organizations. The
10 military department shall also submit a report quarterly to the office
11 of financial management and the legislative fiscal committees detailing
12 information on the Nisqually earthquake account, including: (a) The
13 amount and type of deposits into the account; (b) the current available
14 fund balance as of the reporting date; and (c) the projected fund
15 balance at the end of the 2003-05 biennium based on current revenue and
16 expenditure patterns.

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

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

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

37 (b) \$200,000 of the general fund--state appropriation for fiscal
38 year 2004, \$200,000 of the general fund--state appropriation for fiscal

1 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal
2 appropriation to the department to conduct the terrorism consequence
3 management program;

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

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

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

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

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

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

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

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

1 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

2	General Fund--State Appropriation (FY 2004)	\$2,362,000
3	General Fund--State Appropriation (FY 2005)	((\$2,436,000))
4		<u>\$2,396,000</u>
5	Department of Personnel Service Account--State	
6	Appropriation	\$2,542,000
7	TOTAL APPROPRIATION	((\$7,340,000))
8		<u>\$7,300,000</u>

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

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

17 **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

18	General Fund--State Appropriation (FY 2005)	\$613,000
19	General Fund--Federal Appropriation	\$726,000
20	General Fund--Private/Local Appropriation	\$9,000
21	TOTAL APPROPRIATION	\$1,348,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: If Substitute Senate Bill No. 6243 is not
24 enacted by June 30, 2004, the appropriations in this section shall
25 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 (~~(f)~~) (e) Within funds appropriated in this subsection, the
2 department shall contract with the Clark county regional support
3 network for development and operation of a project demonstrating
4 collaborative methods for providing intensive mental health services in
5 the school setting for severely emotionally disturbed children who are
6 medicaid eligible. Project services are to be delivered by teachers
7 and teaching assistants who qualify as, or who are under the
8 supervision of, mental health professionals meeting the requirements of
9 chapter 275-57 WAC. The department shall increase medicaid payments to
10 the regional support network by the amount necessary to cover the
11 necessary and allowable costs of the demonstration, not to exceed the
12 upper payment limit specified for the regional support network in the
13 department's medicaid waiver agreement with the federal government
14 after meeting all other medicaid spending requirements assumed in this
15 subsection. The regional support network shall provide the department
16 with (i) periodic reports on project service levels, methods, and
17 outcomes; and (ii) an intergovernmental transfer equal to the state
18 share of the increased medicaid payment provided for operation of this
19 project.

20 (~~(g)~~) (f) The department shall assure that each regional support
21 network increases spending on direct client services in fiscal years
22 2004 and 2005 by at least the same percentage as the total state,
23 federal, and local funds allocated to the regional support network in
24 those years exceed the amounts allocated to it in fiscal year 2003.

25 (2) INSTITUTIONAL SERVICES

26	General Fund--State Appropriation (FY 2004)	((\$94,196,000))
27		<u>\$86,607,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$92,964,000))
29		<u>\$87,592,000</u>
30	General Fund--Federal Appropriation	((\$134,755,000))
31		<u>\$146,945,000</u>
32	General Fund--Private/Local Appropriation	((\$26,342,000))
33		<u>\$29,063,000</u>
34	TOTAL APPROPRIATION	((\$348,257,000))
35		<u>\$350,207,000</u>

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

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

5 (4) SPECIAL PROJECTS

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

7 (5) PROGRAM SUPPORT

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

9 \$3,124,000

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

11 \$3,208,000

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

13 \$5,918,000

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

15 \$12,250,000

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

18 (a) \$113,000 of the general fund--state appropriation for fiscal
19 year 2004, \$125,000 of the general fund--state appropriation for fiscal
20 year 2005, and \$164,000 of the general fund--federal appropriation are
21 provided solely for the institute for public policy to evaluate the
22 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
23 297, Laws of 1998 (commitment of mentally ill persons), and chapter
24 334, Laws of 2001 (mental health performance audit).

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

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

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

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

14 (1) COMMUNITY SERVICES

15 General Fund--State Appropriation (FY 2004)	((\$262,458,000))
	<u>\$250,633,000</u>
17 General Fund--State Appropriation (FY 2005)	((\$268,826,000))
	<u>\$274,037,000</u>
19 General Fund--Federal Appropriation	((\$439,489,000))
	<u>\$452,815,000</u>
21 Health Services Account--State	
22 Appropriation	\$1,038,000
23 TOTAL APPROPRIATION	((\$971,811,000))
	<u>\$978,523,000</u>

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

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

35 (b) The health services account appropriation and \$1,038,000 of the
36 general fund--federal appropriation are provided solely for health care
37 benefits for home care workers with family incomes below 200 percent of

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~~)
29 compensation for direct care workers by 75 cents per hour. The amounts
30 in this subsection also include the funds needed for the employer share
31 of unemployment and social security taxes on the amount of the
32 increase.

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

37 (i) \$312,000 of the general fund--state appropriation for fiscal
38 year 2005 and \$290,000 of the general fund--federal appropriation are

1 provided solely to increase payments to agency homecare providers from
 2 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The
 3 amounts in this subsection shall be used to increase compensation for
 4 direct care workers by 50 cents per hour. The amounts in this
 5 subsection also include the funds needed for the employer share of
 6 unemployment and social security taxes on the amount of the increase.

7 (j) \$2,850,000 of the general fund--state appropriation for fiscal
 8 year 2005 and \$2,600,000 of the general fund--federal appropriation are
 9 provided solely to increase compensation for residential care and
 10 training staff in supported living and group homes by an average of
 11 \$.50 per hour effective October 1, 2004.

12 (2) INSTITUTIONAL SERVICES

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

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

28 (3) PROGRAM SUPPORT

29	General Fund--State Appropriation (FY 2004)	((\$2,245,000))
30		<u>\$2,474,000</u>
31	General Fund--State Appropriation (FY 2005)	((\$2,245,000))
32		<u>\$3,208,000</u>
33	General Fund--Federal Appropriation	((\$2,965,000))
34		<u>\$4,214,000</u>
35	Telecommunications Devices for the Hearing and	
36	Speech Impaired Account Appropriation	((\$1,782,000))
37		<u>\$891,000</u>

1 TOTAL APPROPRIATION ((~~\$9,237,000~~))
2 \$10,787,000

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

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

8 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
9 **SERVICES PROGRAM**

10 General Fund--State Appropriation (FY 2004) ((~~\$557,645,000~~))
11 \$529,344,000

12 General Fund--State Appropriation (FY 2005) ((~~\$570,669,000~~))
13 \$575,553,000

14 General Fund--Federal Appropriation ((~~\$1,162,511,000~~))
15 \$1,190,909,000

16 General Fund--Private/Local Appropriation \$18,644,000

17 Health Services Account--State
18 Appropriation \$4,888,000

19 TOTAL APPROPRIATION ((~~\$2,314,357,000~~))
20 \$2,319,338,000

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

23 (1) The entire health services account appropriation, \$1,476,000 of
24 the general fund--state appropriation for fiscal year 2004, \$1,476,000
25 of the general fund--state appropriation for fiscal year 2005, and
26 \$7,284,000 of the general fund--federal appropriation are provided
27 solely for health care benefits for home care workers who are employed
28 through state contracts for at least twenty hours per week. Premium
29 payments for individual provider home care workers shall be made only
30 to the subsidized basic health plan, and only for persons with incomes
31 below 200 percent of the federal poverty level. Home care agencies may
32 obtain coverage either through the basic health plan or through an
33 alternative plan with substantially equivalent benefits.

34 (2) \$1,768,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$1,768,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for operation of the volunteer
37 chore services program.

1 (3) For purposes of implementing chapter 74.46 RCW, the weighted
2 average nursing facility payment rate shall be no more than \$144.54 for
3 fiscal year 2004, and no more than \$147.43 for fiscal year 2005. For
4 all facilities, the direct care, therapy care, support services, and
5 operations component rates based on 1999 cost report data and
6 established in accordance with chapter 74.46 RCW shall be adjusted for
7 economic trends and conditions by 3.0 percent effective July 1, 2003,
8 and by an additional 1.9 percent effective July 1, 2004. \$5,661,000 of
9 the general fund--state appropriation for fiscal year 2005 and
10 \$5,619,000 of the general fund--federal appropriation for fiscal year
11 2005 are provided solely for the July 1, 2004, rate increase.

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

24 ((+4)) (5) In accordance with chapter 74.46 RCW, the department
25 shall issue certificates of capital authorization that result in up to
26 \$32 million of increased asset value completed and ready for occupancy
27 in fiscal year 2004; up to \$32 million of increased asset value
28 completed and ready for occupancy in fiscal year 2005; and up to \$32
29 million of increased asset value completed and ready for occupancy in
30 fiscal year 2006.

31 ((+5)) (6) Adult day health services shall not be considered a
32 duplication of services for persons receiving care in long-term care
33 settings licensed under chapter 18.20, 72.36, or 70.128 RCW.

34 ((+6)) (7) In accordance with chapter 74.39 RCW, the department
35 may implement ((a)) two medicaid waiver programs for persons who do not
36 qualify for such services as categorically needy, subject to federal
37 approval and the following conditions and limitations:

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

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

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

11 ~~((e))~~ (d) The department shall track and electronically report to
12 health care and fiscal committees of the legislature by November 15,
13 2004, on the types of long-term care support a sample of waiver
14 participants were receiving prior to their enrollment in the waiver,
15 how those services were being paid for, and an assessment of their
16 adequacy.

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

21 ~~((7))~~ (8) \$118,000 of the general fund--state appropriation for
22 fiscal year 2004, \$118,000 of the general fund--state appropriation for
23 fiscal year 2005, and \$236,000 of the general fund--federal
24 appropriation are provided solely for the department to assess at least
25 annually each elderly resident residing in residential habilitation
26 centers and state-operated living alternatives to determine if the
27 resident can be more appropriately served in a less restrictive
28 setting.

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

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

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

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

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

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

18 ~~((+9))~~ (10) The department shall establish waiting lists to the
19 extent necessary to assure that annual expenditures on the community
20 options program entry systems (COPEs) program do not exceed
21 appropriated levels. In establishing and managing any such waiting
22 list, the department shall assure priority access to persons with the
23 greatest unmet needs, as determined by department assessment processes.

24 ~~((+10))~~ (11) \$7,102,000 of the general fund--state appropriation
25 for fiscal year 2004, \$10,065,000 of the general fund--state
26 appropriation for fiscal year 2005, and \$17,029,000 of the general
27 fund--federal appropriation are provided solely for the purpose of
28 providing a wage increase effective October 1, 2003, for individual
29 home care workers providing state-funded services. The amounts in this
30 subsection also include the funds needed for the employer share of
31 unemployment and social security taxes on the amount of the increase.

32 ~~((+11))~~ (12) \$2,219,000 of the general fund--state appropriation
33 for fiscal year 2004, \$3,192,000 of the general fund--state
34 appropriation for fiscal year 2005, and \$5,263,000 of the general
35 fund--federal appropriation are provided solely to increase payments to
36 agency home care providers from \$13.44 per hour to \$14.27 per hour
37 effective October 1, 2003. The amounts in this subsection shall be
38 used to increase ~~((wages))~~ compensation for direct care workers by 75

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

4 (13) \$1,952,000 of the general fund--state appropriation for fiscal
5 year 2005 and \$1,941,000 of the general fund--federal appropriation are
6 provided solely to increase payments to agency homecare providers from
7 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The
8 amounts in this subsection shall be used to increase compensation for
9 direct care workers by 50 cents per hour. The amounts in this
10 subsection also include the funds needed for the employer share of
11 unemployment and social security taxes on the amount of the increase.

12 (14) \$500,000 of the general fund--state appropriation for fiscal
13 year 2005 is provided solely for area agencies on aging, or entities
14 with which area agencies on aging contract, to provide support services
15 for grandparents and other kinship caregivers of children throughout
16 the state.

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

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

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

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

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

33	General Fund--State Appropriation (FY 2004)	((\$408,184,000))
34		<u>\$445,968,000</u>
35	General Fund--State Appropriation (FY 2005)	((\$407,363,000))
36		<u>\$429,503,000</u>
37	General Fund--Federal Appropriation	((\$1,209,758,000))

1		<u>\$1,208,730,000</u>
2	General Fund--Private/Local Appropriation	\$33,880,000
3	TOTAL APPROPRIATION	((\$2,059,185,000))
4		<u>\$2,118,081,000</u>

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

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

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

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

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

29 (2) ((~~\$45,639,000~~)) \$57,547,000 of the general fund--state
30 appropriation for fiscal year 2004 and ((~~\$39,335,000~~)) \$52,570,000 of
31 the general fund--state appropriation for fiscal year 2005 are provided
32 solely for cash assistance and other services to recipients in the
33 general assistance--unemployable program. Within these amounts, the
34 department may expend funds for services that assist recipients to
35 reduce their dependence on public assistance, provided that
36 expenditures for these services and cash assistance do not exceed the
37 funds provided.

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

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

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

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

24 (7) \$900,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for a subsidy rate increase for child care
26 providers in urban areas of region 1.

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

29 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
30 **ABUSE PROGRAM**

31	General Fund--State Appropriation (FY 2004)	((\$40,320,000))
32		<u>\$39,829,000</u>
33	General Fund--State Appropriation (FY 2005)	((\$40,320,000))
34		<u>\$40,551,000</u>
35	General Fund--Federal Appropriation	((\$90,632,000))
36		<u>\$94,105,000</u>
37	General Fund--Private/Local Appropriation	\$630,000

1	Public Safety and Education Account--State	
2	Appropriation	((\$7,160,000))
3		<u>\$2,660,000</u>
4	Criminal Justice Treatment Account--State	
5	Appropriation	\$8,950,000
6	Violence Reduction and Drug Enforcement Account--	
7	State Appropriation	((\$44,342,000))
8		<u>\$48,842,000</u>
9	TOTAL APPROPRIATION	((\$232,354,000))
10		<u>\$235,567,000</u>

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

13 (1) \$966,197 of the general fund--state appropriation for fiscal
14 year 2004 and \$966,197 of the general fund-- state appropriation for
15 fiscal year 2005 are provided solely for the parent child assistance
16 program. The department shall contract with the University of
17 Washington and community-based providers in Spokane and Yakima for the
18 provision of this program. For all contractors, indirect charges for
19 administering the program shall not exceed ten percent of the total
20 contract amount.

21 (2) \$250,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided for the Washington state mentoring partnership.

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

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
26 **PROGRAM**

27	General Fund--State Appropriation (FY 2004)	((\$1,184,774,000))
28		<u>\$1,119,077,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$1,265,423,000))
30		<u>\$1,240,183,000</u>
31	General Fund--Federal Appropriation	((\$3,764,258,000))
32		<u>\$3,877,845,000</u>
33	General Fund--Private/Local Appropriation	((\$262,736,000))
34		<u>\$268,296,000</u>
35	Emergency Medical Services and Trauma Care Systems	
36	Trust Account--State Appropriation	((\$23,700,000))
37		<u>\$14,004,000</u>

1 Health Services Account--State Appropriation (~~(\$756,012,000)~~)
2 \$705,591,000
3 TOTAL APPROPRIATION (~~(\$7,256,903,000)~~)
4 \$7,224,996,000

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

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

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

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

20 (4) (~~(\$999,000)~~) \$493,000 of the health services account
21 appropriation for fiscal year 2004, (~~(\$1,519,000)~~) \$748,000 of the
22 health services account appropriation for fiscal year 2005, and
23 (~~(\$2,142,000)~~) \$1,241,000 of the general fund--federal appropriation
24 are provided solely for implementation of a "ticket to work" medicaid
25 buy-in program for working persons with disabilities, operated in
26 accordance with the following conditions:

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

29 (b) Participants shall participate in the cost of the program by
30 paying (i) a monthly enrollment fee equal to fifty percent of any
31 unearned income in excess of the medicaid medically needy standard; and
32 (ii) a monthly premium equal to 5 percent of all unearned income, plus
33 5 percent of all earned income after disregarding the first sixty-five
34 dollars of monthly earnings, and half the remainder;

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

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

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

7 (6) Sufficient funds are appropriated in this section for the
8 department to provide an adult dental benefit equivalent to
9 approximately 75 percent of the dental benefit provided during the
10 2001-03 biennium. The department shall establish the scope of services
11 to be provided within the available funds in consultation with dental
12 providers and consumer representatives.

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

16 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,953,000
17 of the fiscal year 2004 health services account appropriation,
18 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services
19 account appropriation, and (~~(\$87,074,000)~~) \$61,037,000 of the general
20 fund--federal appropriation are provided solely for supplemental
21 payments to nursing homes operated by rural public hospital districts.
22 The payments shall be conditioned upon (a) a contractual commitment by
23 the association of public hospital districts and participating rural
24 public hospital districts to make an intergovernmental transfer to the
25 state treasurer, for deposit into the health services account, equal to
26 at least (~~(94.5)~~) 91.9 percent of the supplemental payments; (b) a
27 contractual commitment by the association of public hospital districts
28 to return at least (~~(5.5)~~) 8.1 percent of the supplemental payments to
29 the participating rural hospital districts; and (c) a contractual
30 commitment by the participating districts to not allow expenditures
31 covered by the supplemental payments to be used for medicaid nursing
32 home rate setting. A hospital which does not participate in the
33 supplemental payment intergovernmental transfer budgeted for fiscal
34 year 2003 shall not be eligible to participate in the supplemental
35 payments budgeted in this subsection for fiscal year(~~s~~) 2004 (~~and~~
36 ~~2005~~). The participating districts shall retain no more than a total
37 of \$9,600,000 for the 2003-05 biennium.

1 (9) (~~(\$14,616,000)~~) \$12,318,000 of the health services account
2 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$10,738,000 of the
3 health services account appropriation for fiscal year 2005, and
4 (~~(\$27,010,000)~~) \$23,056,000 of the general fund--federal appropriation
5 are provided solely for additional disproportionate share and medicare
6 upper payment limit payments to public hospital districts and to the
7 state's teaching hospitals. The payments shall be conditioned upon a
8 contractual commitment by the participating public hospitals to make an
9 intergovernmental transfer to the health services account equal to at
10 least 91 percent of the additional payments. The state's teaching
11 hospitals shall retain at least 28 percent of the amounts retained by
12 hospitals under these programs, or the maximum allowable under the
13 teaching hospitals' limits as established under federal rule, whichever
14 is less.

15 (10) (~~(\$3,100,000)~~) \$3,178,000 of the health services account
16 appropriation, (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local
17 appropriation, and (~~(\$11,516,000)~~) \$7,308,000 of the general fund--
18 federal appropriation are provided solely for grants to rural
19 hospitals. The department shall distribute the funds under a formula
20 that provides a relatively larger share of the available funding to
21 hospitals that (a) serve a disproportionate share of low-income and
22 medically indigent patients and (b) have relatively smaller net
23 financial margins, to the extent allowed by the federal medicaid
24 program.

25 (11) (~~(\$26,080,000)~~) \$36,002,000 of the health services account
26 appropriation and \$26,080,000 of the general fund--federal
27 appropriation are provided solely for grants to nonrural hospitals.
28 The department shall distribute the funds under a formula that provides
29 a relatively larger share of the available funding to hospitals that
30 (a) serve a disproportionate share of low-income and medically indigent
31 patients and (b) have relatively smaller net financial margins, to the
32 extent allowed by the federal medicaid program.

33 (~~(+13)~~) (12) \$156,000 of the general fund--state appropriation for
34 fiscal year 2004 and \$1,403,000 of the general fund--federal
35 appropriation are provided solely for a study to assess alternatives
36 for replacing the existing medicaid management information system. The
37 department shall report to the information services board and to the
38 fiscal committees of the legislature by December 1, 2003, on the

1 anticipated costs and benefits of the major alternative approaches.
2 The medicaid management information system replacement project shall
3 comply with section 902, chapter 25, Laws of 2003 1st sp. sess.

4 ~~((+14))~~ (13) The department shall implement a combination of cost
5 containment and utilization strategies sufficient to reduce general
6 fund--state costs for durable medical equipment and supplies in fiscal
7 year 2005 by approximately 5 percent below the level projected for
8 fiscal year 2005 in the February 2003 forecast. In designing
9 strategies, the primary strategy considered shall be selective or
10 direct contracting with durable medical equipment and supplies vendors
11 or manufacturers.

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

24 ~~((+16))~~ (15) Within available resources and to the extent
25 possible, the department shall evaluate and pilot a nurse consultant
26 services program to assist fee-for-service clients in accessing medical
27 information, with the goal of reducing administrative burdens on
28 physicians and unnecessary emergency room utilization.

29 ~~((+17))~~ (16) The department shall include in any pending medicaid
30 reform section 1115 waiver application, or in any existing section 1115
31 waiver, a request for authorization to provide optional medicaid
32 services that have been eliminated in this act to American Indian and
33 Alaska Native persons as defined in relevant federal law who are
34 eligible for medicaid only to the extent that such services are
35 provided through the American Indian health system and are financed
36 with one hundred percent federal medicaid matching funds.

37 ~~((+18))~~ (17) The department shall establish managed care rates
38 within available funds(~~(, giving specific consideration to each plan's~~

1 ~~programmatic and financial performance, and ability to assure access in~~
2 ~~under served areas)), in a manner that promotes health plan efficiency,~~
3 ~~encourages continuity of service, and assures access in underserved~~
4 ~~areas.~~

5 ((+19)) (18) The department of social and health services, the
6 office of the superintendent of public instruction, and the department
7 of health should jointly identify opportunities for early intervention
8 and prevention activities that can help prevent disease and reduce oral
9 health issues among children. Disease prevention among infants at the
10 age of one year and among children entering the K-12 education system
11 provides cost-effective ways to avoid higher health care spending later
12 in life.

13 ((+20)) (19) The department shall secure a federal waiver,
14 effective no later than September 1, 2003, which will enable it to
15 charge co-premiums for medical and dental coverage of children whose
16 family incomes exceed the federal poverty level.

17 ((+21)) (20) For purposes of RCW 74.09.800(2), ((~~\$9,549,000~~))
18 \$8,017,000 of the general fund--state appropriation for fiscal year
19 2004, ((~~\$10,779,000~~)) \$8,454,000 of the general fund--state
20 appropriation for fiscal year 2005, and ((~~\$37,753,000~~)) \$30,588,000 of
21 the general fund--federal appropriation are provided solely to provide
22 prenatal care services to low-income women who are not eligible to
23 receive such services under the medical assistance program, Title XIX
24 of the federal social security act. If the department is unable to
25 secure federal matching funds under Title XXI of the social security
26 act, the department shall take all actions necessary to manage the
27 program within these appropriated levels.

28 (21) \$12,830,000 of the health services account appropriation for
29 fiscal year 2004, \$11,008,000 of the health services account
30 appropriation for fiscal year 2005, and \$23,838,000 of the general
31 fund--federal appropriation are provided solely for additional
32 disproportionate share hospital payments to public hospital districts.
33 The payments shall be conditioned upon a contractual commitment by the
34 participating hospital districts to make an intergovernmental transfer
35 to the health services account equal to at least 91 percent of the
36 additional disproportionate share payment. The participating districts
37 shall retain no more than \$4,427,000 of the total additional amount
38 paid.

1 are provided solely for transition costs associated with the downsizing
2 effort at Fircrest school. The department shall organize the
3 downsizing effort so as to minimize disruption to clients, employees,
4 and the developmental disabilities program. The employees responsible
5 for the downsizing effort shall report to the assistant secretary of
6 the aging and disability services administration. Within the funds
7 provided in this subsection, the department shall:

8 (a) Determine appropriate ways to maximize federal reimbursement
9 during the downsizing process;

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

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

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

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

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

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

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

1	AGENCIES PROGRAM	
2	General Fund--State Appropriation (FY 2004)	((\$42,011,000))
3		<u>\$43,454,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$42,011,000))
5		<u>\$43,493,000</u>
6	General Fund--Federal Appropriation	((\$41,994,000))
7		<u>\$43,321,000</u>
8	TOTAL APPROPRIATION	((\$126,016,000))
9		<u>\$130,268,000</u>

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

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

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

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

31 **FOR THE STATE HEALTH CARE AUTHORITY**

32	State Health Care Authority Administrative	
33	Account--State Appropriation	((\$17,665,000))
34		<u>\$18,942,000</u>
35	Health Services Account--State Appropriation	((\$415,459,000))
36		<u>\$415,540,000</u>

1	General Fund--Federal Appropriation	((\$3,307,000))
2		<u>\$3,875,000</u>
3	Medical Aid Account--State Appropriation	((\$128,000))
4		<u>\$213,000</u>
5	TOTAL APPROPRIATION	((\$436,559,000))
6		<u>\$438,570,000</u>

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

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

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

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

36 (4) The health care authority shall require organizations and
37 individuals which are paid to deliver basic health plan services and

1 which choose to sponsor enrollment in the subsidized basic health plan
2 to pay 133 percent of the premium amount which would otherwise be due
3 from the sponsored enrollees.

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

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

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

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

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

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

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

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

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

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

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

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

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

30 General Fund--State Appropriation (FY 2004)	\$5,863,000
31 General Fund--State Appropriation (FY 2005)	((\$5,860,000))
32	<u>\$6,145,000</u>
33 Public Safety and Education Account--State	
34 Appropriation	\$22,391,000
35 Public Safety and Education Account--Federal	
36 Appropriation	\$8,462,000
37 Asbestos Account--State Appropriation	((\$693,000))

1		<u>\$717,000</u>
2	Electrical License Account--State	
3	Appropriation	((\$28,966,000))
4		<u>\$29,589,000</u>
5	Farm Labor Revolving Account--Private/Local	
6	Appropriation	\$28,000
7	Worker and Community Right-to-Know Account--State	
8	Appropriation	((\$2,544,000))
9		<u>\$2,557,000</u>
10	Public Works Administration Account--State	
11	Appropriation	((\$2,411,000))
12		<u>\$2,477,000</u>
13	Accident Account--State Appropriation	((\$187,843,000))
14		<u>\$188,389,000</u>
15	Accident Account--Federal Appropriation	\$13,396,000
16	Medical Aid Account--State Appropriation	((\$186,724,000))
17		<u>\$188,208,000</u>
18	Medical Aid Account--Federal Appropriation	\$2,960,000
19	Plumbing Certificate Account--State	
20	Appropriation	((\$1,451,000))
21		<u>\$1,490,000</u>
22	Pressure Systems Safety Account--State	
23	Appropriation	((\$2,807,000))
24		<u>\$2,878,000</u>
25	TOTAL APPROPRIATION	((\$472,399,000))
26		<u>\$475,550,000</u>

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

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

35 ~~((+3) \$378,000)~~ (2) \$165,000 of the accident account--state
36 appropriation is provided solely for the purpose of collecting and
37 analyzing data related to pesticide exposure of agricultural workers,
38 including the costs of training and testing-related travel. \$860,000

1 of the medical aid account--state appropriation is provided solely for
 2 contracting with medical laboratories, health care providers, and other
 3 appropriate entities to provide cholinesterase medical monitoring of
 4 farm workers who handle cholinesterase-inhibiting pesticides, and to
 5 collect and analyze data related to such monitoring. If Senate Bill
 6 No. 6599 is not enacted by June 30, 2004, the medical aid account--
 7 state funding provided in this subsection shall lapse and the
 8 appropriation from the accident account--state shall be increased by
 9 \$279,000.

10 (3) \$718,000 of the accident account--state appropriation and
 11 \$718,000 of the medical aid account--state appropriation are provided
 12 solely for the costs of implementing Engrossed Senate Bill No. 6317
 13 (self-insured claims). If Engrossed Senate Bill No. 6317 is not
 14 enacted by June 30, 2004, the amount provided in this subsection shall
 15 lapse.

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

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

23 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

24 (1) HEADQUARTERS

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

34 (2) FIELD SERVICES

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

1		<u>\$2,596,000</u>
2	General Fund--Federal Appropriation	\$309,000
3	General Fund--Private/Local Appropriation	\$1,668,000
4	TOTAL APPROPRIATION	((\$7,135,000))
5		<u>\$7,161,000</u>

6 (3) INSTITUTIONAL SERVICES

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

16 **Sec. 218.** 2003 1st sp.s. c 25 s 220 (uncodified) is amended to
 17 read as follows:

18 **FOR THE HOME CARE QUALITY AUTHORITY**

19	General Fund--State Appropriation (FY 2004)	((\$412,000))
20		<u>\$345,000</u>
21	General Fund--State Appropriation (FY 2005)	((\$259,000))
22		<u>\$1,256,000</u>
23	TOTAL APPROPRIATION	((\$671,000))
24		<u>\$1,601,000</u>

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

27 (1) ((~~\$150,000~~)) \$98,000 of the general fund--state appropriation
 28 for fiscal year 2004 ((~~is~~)) and \$212,000 of the general fund--state
 29 appropriation for fiscal year 2005 are provided solely for the design
 30 and development of ((~~the~~)) a home care provider referral registry
 31 ((mandated by Initiative Measure No. 775)) as provided in RCW
 32 74.39A.250. The authority and the department of social and health
 33 services shall jointly report to the fiscal committees of the
 34 legislature by December 1, 2004, with a plan for operating the regional
 35 and local components of the registry through cooperative agreements
 36 with area agencies on aging or the department's home and community

1 services offices, within current state funding levels for those
2 programs.

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

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

10 **FOR THE DEPARTMENT OF HEALTH**

11	General Fund--State Appropriation (FY 2004)	((\$58,143,000))
12		<u>\$57,853,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$60,224,000))
14		<u>\$60,121,000</u>
15	Health Services Account--State Appropriation	((\$34,289,000))
16		<u>\$36,989,000</u>
17	General Fund--Federal Appropriation	((\$348,897,000))
18		<u>\$392,995,000</u>
19	General Fund--Private/Local Appropriation	\$93,601,000
20	Hospital Commission Account--State	
21	Appropriation	\$2,490,000
22	Health Professions Account--State	
23	Appropriation	((\$40,097,000))
24		<u>\$40,285,000</u>
25	Emergency Medical Services and Trauma Care Systems	
26	Trust Account--State Appropriation	\$12,558,000
27	Safe Drinking Water Account--State	
28	Appropriation	\$2,728,000
29	Drinking Water Assistance Account--Federal	
30	Appropriation	((\$13,498,000))
31		<u>\$15,654,000</u>
32	Waterworks Operator Certification--State	
33	Appropriation	((\$633,000))
34		<u>\$1,053,000</u>
35	<u>Drinking Water Assistance Administrative Account--</u>	
36	<u>State Appropriation</u>	<u>\$326,000</u>
37	Water Quality Account--State Appropriation	\$3,359,000

1	Accident Account--State Appropriation	\$258,000
2	Medical Aid Account--State Appropriation	\$46,000
3	State Toxics Control Account--State	
4	Appropriation	\$2,761,000
5	Medical Test Site Licensure Account--State	
6	Appropriation	\$1,718,000
7	Youth Tobacco Prevention Account--State	
8	Appropriation	\$1,806,000
9	Tobacco Prevention and Control Account--State	
10	Appropriation	\$52,510,000
11	TOTAL APPROPRIATION	((\$729,616,000))
12		<u>\$779,111,000</u>

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

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

23 (2) \$1,337,000 of the general fund--state fiscal year 2004
24 appropriation and \$1,338,000 of the general fund--state fiscal year
25 2005 appropriation are provided solely for the implementation of the
26 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
27 DOH-03, and DOH-04.

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

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

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

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

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

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

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

1 need for and commitment to the program by raising local contributions
2 to meet federal matching fund requirements.

3 **Sec. 220.** 2003 1st sp.s. c 25 s 222 (uncodified) is amended to
4 read as follows:

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

15 (1) ADMINISTRATION AND SUPPORT SERVICES

16 General Fund--State Appropriation (FY 2004)	((\$38,317,000))
	<u>\$36,534,000</u>
18 General Fund--State Appropriation (FY 2005)	((\$35,473,000))
	<u>\$38,835,000</u>
20 Public Safety and Education Account--State	
21 Appropriation	\$3,657,000
22 Violence Reduction and Drug Enforcement	
23 Account Appropriation	\$26,000
24 TOTAL APPROPRIATION	((\$77,473,000))
	<u>\$79,052,000</u>

26 The appropriations in this subsection are subject to the following
27 conditions and limitations: ((~~\$3,250,000~~)) \$700,000 of the general
28 fund--state appropriation for fiscal year 2004 ((~~is~~)) and \$2,550,000 of
29 the general fund--state appropriation for fiscal year 2005 are provided
30 solely for the continuation of phase two of the department's offender-
31 based tracking system replacement project. This amount is conditioned
32 on the department satisfying the requirements of section 902 of this
33 act.

34 (2) CORRECTIONAL OPERATIONS

35 General Fund--State Appropriation (FY 2004)	((\$441,122,000))
	<u>\$458,402,000</u>
37 General Fund--State Appropriation (FY 2005)	((\$449,520,000))

1		<u>\$477,061,000</u>
2	General Fund--Federal Appropriation	((\$8,746,000))
3		<u>\$4,090,000</u>
4	Violence Reduction and Drug Enforcement Account--	
5	State Appropriation	\$3,008,000
6	TOTAL APPROPRIATION	((\$902,396,000))
7		<u>\$942,561,000</u>

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

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

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

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

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

34 (e) For the acquisition of properties and facilities, the
35 department of corrections is authorized to enter into financial
36 contracts, paid for from operating resources, for the purposes
37 indicated and in not more than the principal amounts indicated, plus
38 financing expenses and required reserves pursuant to chapter 39.94 RCW.

1 This authority applies to the following: Lease-develop with the option
2 to purchase or lease-purchase approximately 50 work release beds in
3 facilities throughout the state for \$3,500,000.

4 (3) COMMUNITY SUPERVISION

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

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

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

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

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

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

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

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

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

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

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

23 (B) Any geographic or weather-related limitations posed by the
24 technology;

25 (C) The reliability, including the false alarm rate of the
26 technology;

27 (D) Any training requirements for department of corrections staff
28 or supervised persons;

29 (E) Any distinctions in effectiveness or feasibility for different
30 supervision populations;

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

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

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

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

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

4 (4) CORRECTIONAL INDUSTRIES

5	General Fund--State Appropriation (FY 2004)	\$626,000
6	General Fund--State Appropriation (FY 2005)	\$626,000
7	TOTAL APPROPRIATION	\$1,252,000

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

10 (a) \$110,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$110,000 of the general fund-- state appropriation for
12 fiscal year 2005 are provided solely for transfer to the jail
13 industries board. The board shall use the amounts provided only for
14 administrative expenses, equipment purchases, and technical assistance
15 associated with advising cities and counties in developing, promoting,
16 and implementing consistent, safe, and efficient offender work
17 programs.

18 (b) For the 2003-05 biennium, the department shall implement
19 Engrossed Second Substitute Senate Bill No. 6489 (correctional
20 industries) within available appropriations and correctional industries
21 revolving account funds.

22 (5) INTERAGENCY PAYMENTS

23	General Fund--State Appropriation (FY 2004)	(\$25,099,000)
24		<u>\$26,259,000</u>
25	General Fund--State Appropriation (FY 2005)	(\$25,134,000)
26		<u>\$26,218,000</u>
27	TOTAL APPROPRIATION	(\$50,233,000)
28		<u>\$52,477,000</u>

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

31 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

32	General Fund--Federal Appropriation	\$267,586,000
33	General Fund--Private/Local Appropriation	\$30,103,000
34	Unemployment Compensation Administration Account--	
35	Federal Appropriation	(\$184,878,000)
36		<u>\$192,415,000</u>

1	Administrative Contingency Account--State	
2	Appropriation	((\$14,721,000))
3		<u>\$10,721,000</u>
4	Employment Service Administrative Account--State	
5	Appropriation	\$23,184,000
6	TOTAL APPROPRIATION	((\$520,472,000))
7		<u>\$524,009,000</u>

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

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

19 (2) \$3,537,000 of the unemployment compensation administration
20 account--federal appropriation is provided from funds made available to
21 the state by section 903(d) of the Social Security Act (Reed Act).
22 These funds are provided to replace obsolete information technology
23 infrastructure.

24 (3) \$4,000,000 of the unemployment compensation administration
25 account--federal appropriation is provided from funds made available to
26 the state by section 903(d) of the Social Security Act (Reed Act).
27 These funds are authorized for employer outreach activities and to
28 prevent, detect, and collect unemployment insurance benefit
29 overpayments.

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

32 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

33	<u>General Fund--State Appropriation (FY 2005)</u>	<u>\$75,000</u>
34	Municipal Criminal Justice Assistance Account--	
35	Local Appropriation	\$460,000
36	Death Investigations Account--State	
37	Appropriation	\$148,000

1	Public Safety and Education Account--State	
2	Appropriation	\$18,078,000
3	TOTAL APPROPRIATION	(\$18,686,000)
4		<u>\$18,761,000</u>

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

7 (1) \$124,000 of the public safety and education account
8 appropriation is provided solely to allow the Washington association of
9 sheriffs and police chiefs to increase the technical and training
10 support provided to the local criminal justice agencies on the new
11 incident-based reporting system and the national incident-based
12 reporting system.

13 (2) \$136,000 of the public safety and education account
14 appropriation is provided solely to allow the Washington association of
15 prosecuting attorneys to enhance the training provided to criminal
16 justice personnel.

17 (3) \$65,000 of the public safety and education account
18 appropriation is provided solely for regionalized training programs for
19 school district and local law enforcement officials on school safety
20 issues.

21 (4) \$250,000 of the public safety and education account
22 appropriation is provided solely to the Washington association of
23 sheriffs and police chiefs for staffing and support of a web site to
24 provide information about sex offenders.

25 (5) \$25,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for allocation to the Washington
27 association of sheriffs and police chiefs to support exploration of
28 regional jails and to provide technical assistance for expanding jail
29 and prison capacity. The association shall coordinate with the
30 sentencing guidelines commission and the department of corrections, and
31 provide a summary report of the results of this project to the
32 legislature no later than December 1, 2004.

33 (6) \$50,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely for allocation to the Washington
35 association of sheriffs and police chiefs to develop a database and
36 perform an assessment of environmentally or politically motivated
37 crimes against animal or natural resource facilities, known as eco-
38 terrorism. The database shall consist of a list of persons and

1 organizations involved in eco-terrorism activities, developed by the
2 association in coordination with state, local, and federal law
3 enforcement agencies. The assessment will determine the scope of the
4 eco-terrorism problem in the state. The association shall submit a
5 report to the commission and appropriate committees of the legislature
6 by December 31, 2004.

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

9 **FOR THE SENTENCING GUIDELINES COMMISSION**

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

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

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

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

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

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

37 (14) \$400,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided solely for implementation of Second Substitute

1 House Bill No. 2564 (authorizing a pilot program for the settlement of
2 water rights). If the bill is not enacted by June 30, 2004, the amount
3 provided in this subsection shall lapse.

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

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

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

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

30 (1) Fees approved by the state parks and recreation commission in
31 the 2003-05 biennium are authorized to exceed the fiscal growth factor
32 under RCW 43.135.055.

33 (2) \$79,000 of the general fund--state appropriation for fiscal
34 year 2004, \$79,000 of the general fund--state appropriation for fiscal
35 year 2005, and \$8,000 of the winter recreation program account--state
36 appropriation are provided solely for a grant for the operation of the
37 Northwest avalanche center.

1 (3) \$191,000 of the aquatic lands enhancement account appropriation
2 is provided solely for the implementation of the Puget Sound work plan
3 and agency action item P+RC-02.

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

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

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

16 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

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

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

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

36 (2) \$41,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$41,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for the operation and maintenance
3 of the natural resources data portal.

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

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

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

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

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

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

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

37 (2) \$225,000 of the general fund--state appropriation for fiscal
38 year 2004, \$225,000 of the general fund--state appropriation for fiscal

1 year 2005, and \$550,000 of the wildlife account--state appropriation
2 are provided solely for the implementation of hatchery reform
3 recommendations defined by the hatchery scientific review group.

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

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

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

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

19 (7) The department shall develop and implement an activity-based
20 costing system. The system shall be operational no later than January
21 1, 2004.

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

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

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

35 (11) \$80,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$77,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely to implement Second Substitute

1 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
2 2003.

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

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

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

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

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

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

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

1 (19) From within existing funding, the department shall provide a
 2 report to the appropriate committees of the legislature identifying
 3 options for reducing future allocations for the harvest of salmon in
 4 the event that a group's actual catch exceeds a current allocation.
 5 The report shall identify any statutory changes that would be required
 6 to implement such an accountability system.

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

9 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

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

1	Natural Resource Conservation Areas Stewardship	
2	Account Appropriation	\$83,000
3	Air Pollution Control Account--State	
4	Appropriation	\$526,000
5	Agricultural College Trust Management Account	
6	Appropriation	\$1,868,000
7	Derelict Vessel Removal Account--State	
8	Appropriation	\$1,130,000
9	TOTAL APPROPRIATION	(\$223,844,000)
10		<u>\$250,189,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 **FOR THE DEPARTMENT OF AGRICULTURE**

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

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

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

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

8 (3) \$165,000 of the water quality permit account--state
9 appropriation and \$692,000 of the water quality account--state
10 appropriation are provided solely to implement Engrossed Substitute
11 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
12 2003.

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

17 (5) \$1,100,000 of the general fund--state appropriation for fiscal
18 year 2005 is provided solely for the development of comprehensive
19 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>\$11,786,000</u>
General Fund--Federal Appropriation	((\$15,921,000))
	<u>\$26,968,000</u>
TOTAL APPROPRIATION	((\$39,454,000))
	<u>\$50,369,000</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 (f) \$44,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely to implement Substitute Senate Bill No.
11 6171 (complaints against school employees) or Second Substitute Senate
12 Bill No. 5533 (disclosure of misconduct). If neither bill is enacted
13 by June 30, 2004, the amount in this subsection shall lapse.

14 (2) STATEWIDE PROGRAMS

15	General Fund--State Appropriation (FY 2004)	\$8,966,000
16	General Fund--State Appropriation (FY 2005)	(\$9,345,000)
17		<u>\$10,885,000</u>
18	General Fund--Federal Appropriation	(\$66,405,000)
19		<u>\$61,656,000</u>
20	TOTAL APPROPRIATION	(\$84,716,000)
21		<u>\$81,507,000</u>

22 The appropriations in this subsection are provided solely for the
23 statewide programs specified in this subsection and are subject to the
24 following conditions and limitations:

25 (a) HEALTH AND SAFETY

26 (i) A maximum of \$2,541,000 of the general fund--state
27 appropriation for fiscal year 2004 and a maximum of ~~(\$2,541,000)~~
28 \$3,541,000 of the general fund--state appropriation for fiscal year
29 2005 are provided for a corps of nurses located at educational service
30 districts, as determined by the superintendent of public instruction,
31 to be dispatched to the most needy schools to provide direct care to
32 students, health education, and training for school staff.

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

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

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

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

24 (iii) A maximum of \$100,000 of the general fund--state
25 appropriation for fiscal year 2004 and a maximum of \$100,000 of the
26 general fund--state appropriation for fiscal year 2005 are provided for
27 a school safety training program provided by the criminal justice
28 training commission subject to the following conditions and
29 limitations:

30 (A) The criminal justice training commission with assistance of the
31 school safety center advisory committee established in section
32 2(b)(iii) of this section shall develop manuals and curricula for a
33 training program for all school safety personnel.

34 (B) The Washington state criminal justice training commission, in
35 collaboration with the advisory committee, shall provide the school
36 safety training for all school administrators and school safety
37 personnel, including school safety personnel hired after the effective
38 date of this section.

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

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

10 (A) Statewide nonviolence leadership coaches training program for
11 certification of educational employees and community members in
12 nonviolence leadership workshops;

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

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

19 (b) TECHNOLOGY

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

28 (c) GRANTS AND ALLOCATIONS

29 (i) \$306,000 of the fiscal year 2004 appropriation and \$689,000 of
30 the fiscal year 2005 appropriation are provided solely for the special
31 services pilot projects provided by Second Substitute House Bill No.
32 2012 (special services pilot program). The office of the
33 superintendent of public instruction shall allocate these funds to the
34 district or districts participating in the pilot program according to
35 the provisions of section 2 subsection (4) of Second Substitute House
36 Bill No. 2012, chapter 33, Laws of 2003.

37 (ii) A maximum of \$761,000 of the general fund--state appropriation
38 for fiscal year 2004 and a maximum of (~~(\$757,000)~~) \$1,097,000 of the

1 general fund--state appropriation for fiscal year 2005 are provided for
2 alternative certification routes. Funds may be used by the
3 professional educator standards board to continue existing alternative-
4 route grant programs and to create new alternative-route programs in
5 regions of the state with service shortages.

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

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

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

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

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

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

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

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

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

9 (xii) \$1,650,000 of the general fund--federal appropriation is
10 provided for the advanced placement fee program to increase
11 opportunities for low-income students and under-represented populations
12 to participate in advanced placement courses and to increase the
13 capacity of schools to provide advanced placement courses to students.

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

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

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

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
25 **APPORTIONMENT**

26	General Fund--State Appropriation (FY 2004)	((\$3,969,407,000))
27		<u>\$3,976,507,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$3,977,209,000))
29		<u>\$3,988,456,000</u>
30	TOTAL APPROPRIATION	((\$7,946,616,000))
31		<u>\$7,964,963,000</u>

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

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

1 (2) Allocations for certificated staff salaries for the 2003-04 and
2 2004-05 school years shall be determined using formula-generated staff
3 units calculated pursuant to this subsection. Staff allocations for
4 small school enrollments in (d) through (f) of this subsection shall be
5 reduced for vocational full-time equivalent enrollments. Staff
6 allocations for small school enrollments in grades K-6 shall be the
7 greater of that generated under (a) of this subsection, or under (d)
8 and (e) of this subsection. Certificated staffing allocations shall be
9 as follows:

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

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

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

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

20 (iv) An additional 4.2 certificated instructional staff units for
21 grades K-3 and an additional 7.2 certificated instructional staff units
22 for grade 4. Any funds allocated for the additional certificated units
23 provided in this subsection (iv) shall not be considered as basic
24 education funding;

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

1 contract shall be converted to a certificated full-time equivalent by
2 dividing the classroom contact hours by 900.

3 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
4 excess of the amount required to maintain the statutory minimum ratio
5 established under RCW 28A.150.260(2)(b) shall be allocated only if the
6 district documents an actual ratio in grades K-4 equal to or greater
7 than 54.0 certificated instructional staff per thousand full-time
8 equivalent students in the 2003-04 school year and 53.2 certificated
9 instructional staff per thousand full-time equivalent students in the
10 2004-05 school year. For any school district documenting a lower
11 certificated instructional staff ratio, the allocation shall be based
12 on the district's actual grades K-4 certificated instructional staff
13 ratio achieved in that school year, or the statutory minimum ratio
14 established under RCW 28A.150.260(2)(b), if greater;

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

28 (C) Any district maintaining a ratio in grades K-4 equal to or
29 greater than 54.0 certificated instructional staff per thousand full-
30 time equivalent students in the 2003-04 school year and 53.2
31 certificated instructional staff per thousand full-time equivalent
32 students in the 2004-05 school year may use allocations generated under
33 this subsection (2)(a)(iv) and (v) in excess of that required to
34 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to
35 employ additional basic education certificated instructional staff or
36 classified instructional assistants in grades 5-6. Funds allocated
37 under this subsection (2)(a)(iv) and (v) shall only be expended to

1 reduce class size in grades K-6. No more than 1.3 of the certificated
2 instructional funding ratio amount may be expended for provision of
3 classified instructional assistants;

4 (b) For school districts with a minimum enrollment of 250 full-time
5 equivalent students whose full-time equivalent student enrollment count
6 in a given month exceeds the first of the month full-time equivalent
7 enrollment count by 5 percent, an additional state allocation of 110
8 percent of the share that such increased enrollment would have
9 generated had such additional full-time equivalent students been
10 included in the normal enrollment count for that particular month;

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

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

16 (B) Skills center programs meeting the standards for skills center
17 funding established in January 1999 by the superintendent of public
18 instruction, 0.92 certificated instructional staff units and 0.08
19 certificated administrative units for each 16.67 full-time equivalent
20 vocational students;

21 (ii) Vocational full-time equivalent enrollment shall be reported
22 on the same monthly basis as the enrollment for students eligible for
23 basic support, and payments shall be adjusted for reported vocational
24 enrollments on the same monthly basis as those adjustments for
25 enrollment for students eligible for basic support; and

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

29 (d) For districts enrolling not more than twenty-five average
30 annual full-time equivalent students in grades K-8, and for small
31 school plants within any school district which have been judged to be
32 remote and necessary by the state board of education and enroll not
33 more than twenty-five average annual full-time equivalent students in
34 grades K-8:

35 (i) For those enrolling no students in grades 7 and 8, 1.76
36 certificated instructional staff units and 0.24 certificated
37 administrative staff units for enrollment of not more than five

1 students, plus one-twentieth of a certificated instructional staff unit
2 for each additional student enrolled; and

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

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

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

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

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

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

29 (ii) For all other small high schools under this subsection, nine
30 certificated instructional staff units and one-half of a certificated
31 administrative staff unit for the first sixty average annual full time
32 equivalent students, and additional staff units based on a ratio of
33 0.8732 certificated instructional staff units and 0.1268 certificated
34 administrative staff units per each additional forty-three and one-half
35 average annual full time equivalent students.

36 Units calculated under (f)(ii) of this subsection shall be reduced
37 by certificated staff units at the rate of forty-six certificated

1 instructional staff units and four certificated administrative staff
2 units per thousand vocational full-time equivalent students;

3 (g) For each nonhigh school district having an enrollment of more
4 than seventy annual average full-time equivalent students and less than
5 one hundred eighty students, operating a grades K-8 program or a grades
6 1-8 program, an additional one-half of a certificated instructional
7 staff unit; and

8 (h) For each nonhigh school district having an enrollment of more
9 than fifty annual average full-time equivalent students and less than
10 one hundred eighty students, operating a grades K-6 program or a grades
11 1-6 program, an additional one-half of a certificated instructional
12 staff unit.

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

16 (a) For enrollments generating certificated staff unit allocations
17 under subsection (2)(d) through (h) of this section, one classified
18 staff unit for each three certificated staff units allocated under such
19 subsections;

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

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

27 (4) Fringe benefit allocations shall be calculated at a rate of
28 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05
29 school year for certificated salary allocations provided under
30 subsection (2) of this section, and a rate of 12.25 percent in the
31 2003-04 school year and 12.25 percent in the 2004-05 school year for
32 classified salary allocations provided under subsection (3) of this
33 section.

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

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

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

7 (6)(a) For nonemployee-related costs associated with each
8 certificated staff unit allocated under subsection (2)(a), (b), and (d)
9 through (h) of this section, there shall be provided a maximum of
10 \$8,785 per certificated staff unit in the 2003-04 school year and a
11 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05
12 school year.

13 (b) For nonemployee-related costs associated with each vocational
14 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
15 section, there shall be provided a maximum of \$21,573 per certificated
16 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)
17 \$21,746 per certificated staff unit in the 2004-05 school year.

18 (c) For nonemployee-related costs associated with each vocational
19 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
20 section, there shall be provided a maximum of \$16,739 per certificated
21 staff unit in the 2003-04 school year and a maximum of (~~(\$17,057)~~)
22 \$16,873 per certificated staff unit in the 2004-05 school year.

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

33 (8) Any school district board of directors may petition the
34 superintendent of public instruction by submission of a resolution
35 adopted in a public meeting to reduce or delay any portion of its basic
36 education allocation for any school year. The superintendent of public
37 instruction shall approve such reduction or delay if it does not impair
38 the district's financial condition. Any delay shall not be for more

1 than two school years. Any reduction or delay shall have no impact on
2 levy authority pursuant to RCW 84.52.0531 and local effort assistance
3 pursuant to chapter 28A.500 RCW.

4 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
5 \$6,385,000 outside the basic education formula during fiscal years 2004
6 and 2005 as follows:

7 (a) For fire protection for school districts located in a fire
8 protection district as now or hereafter established pursuant to chapter
9 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
10 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year
11 2005;

12 (b) For summer vocational programs at skills centers, a maximum of
13 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
14 \$2,035,000 for the 2005 fiscal year;

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

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

23 (10) For purposes of RCW 84.52.0531(3), the increase per full-time
24 equivalent student is 3.4 percent from the 2002-03 school year to the
25 2003-04 school year and 2.5 percent from the 2003-04 school year to the
26 2004-05 school year. For purposes of RCW 84.52.0531(4), the additional
27 per pupil adjustment inflator, for excess levies for collection in
28 calendar year 2005, for school districts for which voters have approved
29 levies for collection in calendar year 2005 prior to November 1, 2003,
30 is 4.4 percent.

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

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

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

7 (12) (~~(\$159,000)~~) \$401,000 of the general fund--state appropriation
8 for fiscal year (~~(2004 and \$1,181,000 of the general fund state~~
9 ~~appropriation for fiscal year 2005 are)~~) 2005 is provided solely for
10 the implementation of Second Engrossed Substitute Senate Bill No. 5012
11 or Second Substitute House Bill No. 2295 (charter schools). If (~~(the)~~)
12 neither bill is (~~(not)~~) enacted by June 30, (~~(2003)~~) 2004, the
13 amount(~~(s)~~) provided in this subsection shall lapse.

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

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
17 **COMPENSATION ADJUSTMENTS**

18	General Fund--State Appropriation (FY 2004)	((\$28,511,000))
19		<u>\$28,604,000</u>
20	General Fund--State Appropriation (FY 2005)	((\$116,670,000))
21		<u>\$122,735,000</u>
22	General Fund--Federal Appropriation	((\$559,000))
23		<u>\$589,000</u>
24	TOTAL APPROPRIATION	((\$145,740,000))
25		<u>\$151,928,000</u>

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

28 (1) (~~(\$8,913,000)~~) \$8,944,000 of the general fund--state
29 appropriation for fiscal year 2004 and (~~(\$20,238,000)~~) \$20,342,000 of
30 the general fund--state appropriation for fiscal year 2005 are provided
31 solely to provide a salary adjustment for state formula certificated
32 instructional staff units in their first seven years of service.
33 Consistent with the statewide certificated instructional staff salary
34 allocation schedule in section 503 of this act, sufficient funding is
35 provided to increase the salary of certificated instructional staff
36 units in the 2003-04 school year and the 2004-05 school year by the
37 following percentages: Three percent for certificated instructional

1 staff in their first and second years of service; two and one-half
2 percent for certificated instructional staff in their third year of
3 service; one and one-half percent for certificated instructional staff
4 in their fourth year of service; one percent for certificated
5 instructional staff in their fifth year of service; and one-half of a
6 percent for certificated instructional staff in their sixth and seventh
7 years of service. These increases will take effect September 1, 2003
8 and September 1, 2004.

9 (a) In order to receive funding provided in this subsection, school
10 districts shall certify to the office of superintendent of public
11 instruction that they will provide the percentage increases in the
12 amounts specified in this subsection. In cases where a school district
13 providing the increases in the amounts specified in this subsection
14 would cause that school district to be out of compliance with RCW
15 28A.400.200, they may provide salary increases in different amounts but
16 only to the extent necessary to come into compliance with RCW
17 28A.400.200. Funds provided in this subsection shall be used
18 exclusively for providing the percentage increases specified in this
19 subsection to the certificated staff units in their first seven years
20 of service and shall not be used to supplant any other state or local
21 funding for compensation for these staff.

22 (b) The appropriations include associated incremental fringe
23 benefit allocations at rates of 9.04 percent for school year 2003-04
24 and 9.04 percent for school year 2004-05 for certificated staff.
25 Increases for general apportionment (basic education) are based on the
26 salary allocation schedules and methodology in sections 502 and 503 of
27 this act. Increases for special education result from increases in
28 each district's basic education allocation per student. Increases for
29 educational service districts and institutional education programs are
30 determined by the superintendent of public instruction using the
31 methodology for general apportionment salaries and benefits in sections
32 502 and 503 of this act.

33 (2) \$5,453,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely to provide a salary adjustment for state
35 formula classified staff units of one percent effective on September 1,
36 2004.

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

1 instruction that they will provide the percentage increases in the
 2 amounts specified in this subsection. Funds provided in this
 3 subsection shall be used exclusively for providing the percentage
 4 increases specified in this subsection to classified staff units and
 5 shall not be used to supplant any other state or local funding for
 6 compensation for these staff.

7 (b) The appropriations include associated incremental fringe
 8 benefit allocations at rates of 8.75 percent for the 2004-05 school
 9 year for classified staff. The appropriations in this section include
 10 the increased portion of salaries and incremental fringe benefits for
 11 all relevant state-funded school programs in this part V of this act.
 12 Increases for general apportionment (basic education) are based on the
 13 salary allocation schedules and methodology in sections 502 and 503 of
 14 this act. Increases for special education result from increases in
 15 each district's basic education allocation per student. Increases for
 16 educational service districts and institutional education programs are
 17 determined by the superintendent of public instruction using the
 18 methodology for general apportionment salaries and benefits in sections
 19 502 and 503 of this act.

20 (3) The appropriations in this section provide salary adjustments
 21 and incremental fringe benefit allocations based on formula adjustments
 22 as follows:

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

29 (((\$3) \$116,483,000)) (4) \$117,060,000 is provided for adjustments
 30 to insurance benefit allocations. The maintenance rate for insurance
 31 benefit allocations is \$457.07 per month for the 2003-04 and 2004-05
 32 school years. The appropriations in this section provide for a rate
 33 increase to \$481.31 per month for the 2003-04 school year and \$570.74
 34 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

7 ~~((+4))~~ (5) The rates specified in this section are subject to
8 revision each year by the legislature.

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION		
General Fund--State Appropriation (FY 2004)	((\$201,638,000))	
		<u>\$215,454,000</u>
General Fund--State Appropriation (FY 2005)	((\$210,279,000))	
		<u>\$219,899,000</u>
TOTAL APPROPRIATION	((\$411,917,000))	
		<u>\$435,353,000</u>

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

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

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

30 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
31 fiscal year 2005 appropriation are provided solely for the
32 transportation of students enrolled in "choice" programs.
33 Transportation shall be limited to low-income students who are
34 transferring to "choice" programs solely for educational reasons.

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

14 (5) Beginning with busses purchased on or after July 1, 2003, the
15 office of superintendent of public instruction shall provide
16 reimbursement funding to a school district only after the
17 superintendent of public instruction determines that the school bus was
18 purchased from the list established pursuant to RCW 28A.160.195(2) or
19 a comparable competitive bid process based on the lowest price quote
20 based on similar bus categories to those used to establish the list
21 pursuant to RCW 28A.160.195. The competitive specifications shall meet
22 federal motor vehicle safety standards, minimum state specifications as
23 established by rule by the superintendent, and supported options as
24 determined by the superintendent in consultation with the regional
25 transportation coordinators of the educational service districts.
26 Within the amounts appropriated in this section, the office of
27 superintendent of public instruction, in conjunction with the state
28 auditor's office, shall review current bidding procedures and processes
29 of school bus purchases in the state for compliance with RCW
30 28A.335.190 and 28A.160.195. The office of superintendent of public
31 instruction and the state auditor's office shall submit a report to
32 fiscal committees of the legislature and the governor with findings and
33 recommendations by November 1, 2004.

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

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**

1 **PROGRAMS**

2	General Fund--State Appropriation (FY 2004)	\$3,100,000
3	General Fund--State Appropriation (FY 2005)	\$3,100,000
4	General Fund--Federal Appropriation	((\$272,069,000))
5		<u>\$252,128,000</u>
6	TOTAL APPROPRIATION	((\$278,269,000))
7		<u>\$258,328,000</u>

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

10 (1) \$3,000,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$3,000,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided for state matching money for federal
13 child nutrition programs.

14 (2) \$100,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
16 provided for summer food programs for children in low-income areas.

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

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
20 **PROGRAMS**

21	General Fund--State Appropriation (FY 2004)	((\$433,984,000))
22		<u>\$435,061,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$427,214,000))
24		<u>\$427,741,000</u>
25	General Fund--Federal Appropriation	((\$409,637,000))
26		<u>\$425,488,000</u>
27	TOTAL APPROPRIATION	((\$1,270,835,000))
28		<u>\$1,288,290,000</u>

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

31 (1) Funding for special education programs is provided on an excess
32 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
33 that special education students as a class receive their full share of
34 the general apportionment allocation accruing through sections 502 and
35 504 of this act. To the extent a school district cannot provide an
36 appropriate education for special education students under chapter

1 28A.155 RCW through the general apportionment allocation, it shall
2 provide services through the special education excess cost allocation
3 funded in this section.

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

8 (i) Special education students are basic education students first;

9 (ii) As a class, special education students are entitled to the
10 full basic education allocation; and

11 (iii) Special education students are basic education students for
12 the entire school day.

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

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

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

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

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

33 (ii) A district's annual average full-time equivalent basic
34 education enrollment multiplied by the funded enrollment percent
35 determined pursuant to subsection (6)(b) of this section, multiplied by
36 the district's average basic education allocation per full-time
37 equivalent student multiplied by 0.9309.

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

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

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

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

17 Each district's general fund--state funded special education
18 enrollment shall be the lesser of the district's actual enrollment
19 percent or 12.7 percent. Increases in enrollment percent from 12.7
20 percent to 13.0 percent shall be funded from the general fund--federal
21 appropriation.

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

31 (8) To the extent necessary, \$25,746,000 of the general fund--
32 federal appropriation is provided for safety net awards for districts
33 with demonstrated needs for state special education funding beyond the
34 amounts provided in subsection (5) of this section. If safety net
35 awards exceed the amount appropriated in this subsection (8), the
36 superintendent shall expend all available federal discretionary funds
37 necessary to meet this need. Safety net funds shall be awarded by the

1 state safety net oversight committee subject to the following
2 conditions and limitations:

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

11 (b) The committee shall then consider the extraordinary high cost
12 needs of one or more individual special education students.
13 Differences in costs attributable to district philosophy, service
14 delivery choice, or accounting practices are not a legitimate basis for
15 safety net awards.

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

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

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

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

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

31 (a) One staff from the office of superintendent of public
32 instruction;

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

34 (c) One or more representatives from school districts or
35 educational service districts knowledgeable of special education
36 programs and funding.

37 (11) A maximum of \$678,000 may be expended from the general fund--
38 state appropriations to fund 5.43 full-time equivalent teachers and 2.1

1 full-time equivalent aides at children's orthopedic hospital and
2 medical center. This amount is in lieu of money provided through the
3 home and hospital allocation and the special education program.

4 (12) \$1,000,000 of the general fund--federal appropriation is
5 provided for projects to provide special education students with
6 appropriate job and independent living skills, including work
7 experience where possible, to facilitate their successful transition
8 out of the public school system. The funds provided by this subsection
9 shall be from federal discretionary grants.

10 (13) The superintendent shall maintain the percentage of federal
11 flow-through to school districts at 85 percent. In addition to other
12 purposes, school districts may use increased federal funds for high-
13 cost students, for purchasing regional special education services from
14 educational service districts, and for staff development activities
15 particularly relating to inclusion issues.

16 (14) A maximum of \$1,200,000 of the general fund--federal
17 appropriation may be expended by the superintendent for projects
18 related to use of inclusion strategies by school districts for
19 provision of special education services. The superintendent shall
20 prepare an information database on laws, best practices, examples of
21 programs, and recommended resources. The information may be
22 disseminated in a variety of ways, including workshops and other staff
23 development activities.

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

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

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
31 **ASSISTANCE**

32	General Fund--State Appropriation (FY 2004)	((\$162,236,000))
33		<u>\$163,049,000</u>
34	General Fund--State Appropriation (FY 2005)	((\$167,073,000))
35		<u>\$167,862,000</u>
36	TOTAL APPROPRIATION	((\$329,309,000))
37		<u>\$330,911,000</u>

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

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
4 **EDUCATION PROGRAMS**

5	General Fund--State Appropriation (FY 2004)	((\$18,596,000))
6		<u>\$18,207,000</u>
7	General Fund--State Appropriation (FY 2005)	((\$19,092,000))
8		<u>\$18,175,000</u>
9	TOTAL APPROPRIATION	((\$37,688,000))
10		<u>\$36,382,000</u>

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

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

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

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

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

28 (5) ((~~\$279,000~~)) \$190,000 of the general fund--state appropriation
29 for fiscal year 2004 and ((~~\$286,000~~)) \$142,000 of the general fund--
30 state appropriation for fiscal year 2005 are provided solely to
31 maintain at least one certificated instructional staff and related
32 support services at an institution whenever the K-12 enrollment is not
33 sufficient to support one full-time equivalent certificated
34 instructional staff to furnish the educational program. The following
35 types of institutions are included: Residential programs under the
36 department of social and health services for developmentally disabled
37 juveniles, programs for juveniles under the department of corrections,

1 and programs for juveniles under the juvenile rehabilitation
2 administration.

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

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

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
8 **CAPABLE STUDENTS**

9	General Fund--State Appropriation (FY 2004)	((\$6,597,000))
10		<u>\$6,620,000</u>
11	General Fund--State Appropriation (FY 2005)	((\$6,614,000))
12		<u>\$6,631,000</u>
13	TOTAL APPROPRIATION	((\$13,211,000))
14		<u>\$13,251,000</u>

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

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

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

27 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
28 the fiscal year 2005 appropriation are provided for the centrum program
29 at Fort Worden state park.

30 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
31 the fiscal year 2005 appropriation are provided for the Washington
32 destination imagination network and future problem-solving programs.

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

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**

1 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
2 **THE NO CHILD LEFT BEHIND ACT**

3 General Fund--Federal Appropriation (~~(\$46,198,000)~~)
4 \$42,817,000

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

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
8 **PROGRAMS**

9 General Fund--State Appropriation (FY 2004) (~~(\$39,107,000)~~)
10 \$38,384,000

11 General Fund--State Appropriation (FY 2005) (~~(\$36,501,000)~~)
12 \$37,046,000

13 General Fund--Federal Appropriation (~~(\$128,402,000)~~)
14 \$164,087,000

15 TOTAL APPROPRIATION (~~(\$204,010,000)~~)
16 \$239,517,000

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

19 (1) \$310,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$310,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the academic achievement and
22 accountability commission.

23 (2) (~~(\$16,050,000)~~) \$15,453,000 of the general fund--state
24 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$12,955,000 of the
25 general fund--state appropriation for fiscal year 2005, and
26 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation
27 are provided solely for development and implementation of the
28 Washington assessments of student learning. Of the general fund--state
29 amounts provided:

30 (a) (~~(\$222,000 in fiscal year 2004 and \$244,000)~~) \$438,000 in
31 fiscal year 2005 (~~are~~) is for providing high school students who are
32 not successful in one or more content areas of the Washington
33 assessment of student learning the opportunity to retake the test (~~and~~
34 ~~\$75,000 of the fiscal year 2004 appropriation is provided for~~
35 ~~developing alternative assessments~~) as provided in Third Engrossed
36 Substitute House Bill No. 2195 (state academic standards). If Third

1 Engrossed Substitute House Bill No. 2195 is not enacted by June 30,
2 ((2003)) 2004, the amount((s)) in this subsection (a) shall lapse.

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

10 (3) \$548,000 of the fiscal year 2004 general fund--state
11 appropriation and \$548,000 of the fiscal year 2005 general fund--state
12 appropriation are provided solely for training of paraprofessional
13 classroom assistants and certificated staff who work with classroom
14 assistants as provided in RCW 28A.415.310.

15 (4) \$2,348,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$2,348,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for mentor teacher assistance,
18 including state support activities, under RCW 28A.415.250 and
19 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
20 this subsection may be used each fiscal year to operate a mentor
21 academy to help districts provide effective training for peer mentors.
22 Funds for the teacher assistance program shall be allocated to school
23 districts based on the number of first year beginning teachers.

24 (a) A teacher assistance program is a program that provides to a
25 first year beginning teacher peer mentor services that include but are
26 not limited to:

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

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

34 (iii) The provision by peer mentors of strategies, training, and
35 guidance in critical areas such as classroom management, student
36 discipline, curriculum management, instructional skill, assessment,
37 communication skills, and professional conduct. A district may provide

1 these components through a variety of means including one-on-one
2 contact and workshops offered by peer mentors to groups, including
3 cohort groups, of beginning teachers;

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

9 (v) Assistance in the incorporation of the essential academic
10 learning requirements into instructional plans and in the development
11 of complex teaching strategies, including strategies to raise the
12 achievement of students with diverse learning styles and backgrounds;
13 and

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

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

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

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

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

33 (5) \$1,959,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$1,959,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for improving technology
36 infrastructure, monitoring and reporting on school district technology
37 development, promoting standards for school district technology,
38 promoting statewide coordination and planning for technology

1 development, and providing regional educational technology support
2 centers, including state support activities, under chapter 28A.650 RCW.
3 The superintendent of public instruction shall coordinate a process to
4 facilitate the evaluation and provision of online curriculum courses to
5 school districts which includes the following: Creation of a general
6 listing of the types of available online curriculum courses; a survey
7 conducted by each regional educational technology support center of
8 school districts in its region regarding the types of online curriculum
9 courses desired by school districts; a process to evaluate and
10 recommend to school districts the best online courses in terms of
11 curriculum, student performance, and cost; and assistance to school
12 districts in procuring and providing the courses to students.

13 (6) \$3,594,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$3,594,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely for grants to school districts to
16 provide a continuum of care for children and families to help children
17 become ready to learn. Grant proposals from school districts shall
18 contain local plans designed collaboratively with community service
19 providers. If a continuum of care program exists in the area in which
20 the school district is located, the local plan shall provide for
21 coordination with existing programs to the greatest extent possible.
22 Grant funds shall be allocated pursuant to RCW 70.190.040.

23 (7) \$2,500,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$2,500,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the meals for kids program
26 under RCW 28A.235.145 through 28A.235.155.

27 (8) \$705,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$705,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for the leadership internship
30 program for superintendents, principals, and program administrators.

31 (9) A maximum of \$250,000 of the general fund--state appropriation
32 for fiscal year 2004 and a maximum of \$250,000 of the general fund--
33 state appropriation for fiscal year 2005 are provided for summer
34 accountability institutes offered by the superintendent of public
35 instruction and the academic achievement and accountability commission.
36 The institutes shall provide school district staff with training in the
37 analysis of student assessment data, information regarding successful

1 district and school teaching models, research on curriculum and
2 instruction, and planning tools for districts to improve instruction in
3 reading, mathematics, language arts, and guidance and counseling.

4 (10) \$3,713,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$3,713,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the Washington reading corps
7 subject to the following conditions and limitations:

8 (a) Grants shall be allocated to schools and school districts to
9 implement proven, research-based mentoring and tutoring programs in
10 reading that may include research-based reading skills development
11 software for low-performing students in grades K-6. If the grant is
12 made to a school district, the principals of schools enrolling targeted
13 students shall be consulted concerning design and implementation of the
14 program.

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

18 (c) Two or more schools may combine their Washington reading corps
19 programs.

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

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

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

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

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

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

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

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

1 (f) Beginning and end-of-program testing data shall be available to
2 determine the effectiveness of funded programs and practices. Common
3 evaluative criteria across programs, such as grade-level improvements
4 shall be available for each reading corps program. The superintendent
5 of public instruction shall provide program evaluations to the governor
6 and the appropriate committees of the legislature. Administrative and
7 evaluation costs may be assessed from the annual appropriation for the
8 program.

9 (g) Grants provided under this section may be used by schools and
10 school districts for expenditures from September 2003 through August
11 31, 2005.

12 (11) (~~(\$1,564,000)~~) \$1,313,000 of the general fund--state
13 appropriation for fiscal year 2004 and (~~(\$2,497,000)~~) \$2,473,000 of the
14 general fund--state appropriation for fiscal year 2005 are provided
15 solely for salary bonuses for teachers who attain certification by the
16 national board for professional teaching standards, subject to the
17 following conditions and limitations:

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

22 (b) The annual bonus shall be paid in a lump sum amount and shall
23 not be included in the definition of "earnable compensation" under RCW
24 41.32.010(10).

25 (12) \$313,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$313,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for a principal support program.
28 The office of the superintendent of public instruction may contract
29 with an independent organization to administer the program. The
30 program shall include: (a) Development of an individualized
31 professional growth plan for a new principal or principal candidate;
32 and (b) participation of a mentor principal who works over a period of
33 between one and three years with the new principal or principal
34 candidate to help him or her build the skills identified as critical to
35 the success of the professional growth plan.

36 (13) \$126,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$126,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided for the development and posting of web-
2 based instructional tools, assessment data, and other information that
3 assists schools and teachers implementing higher academic standards.

4 (14) \$3,046,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$3,046,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely to the office of the
7 superintendent of public instruction for focused assistance. The
8 office of the superintendent of public instruction shall conduct
9 educational audits of low-performing schools and enter into performance
10 agreements between school districts and the office to implement the
11 recommendations of the audit and the community. Each educational audit
12 shall include recommendations for best practices and ways to address
13 identified needs and shall be presented to the community in a public
14 meeting to seek input on ways to implement the audit and its
15 recommendations.

16 (15) \$1,764,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$1,764,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for the mathematics helping corps
19 subject to the following conditions and limitations:

20 (a) In order to increase the availability and quality of technical
21 mathematics assistance statewide, the superintendent of public
22 instruction shall employ mathematics school improvement specialists to
23 provide assistance to schools and districts. The specialists shall be
24 hired by and work under the direction of a statewide school improvement
25 coordinator. The mathematics improvement specialists shall not be
26 permanent employees of the superintendent of public instruction.

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

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

30 (ii) Consultation with schools and districts concerning their
31 performance on the Washington assessment of student learning and other
32 assessments emphasizing the performance on the mathematics assessments;

33 (iii) Consultation concerning curricula that aligns with the
34 essential academic learning requirements emphasizing the academic
35 learning requirements for mathematics, the Washington assessment of
36 student learning, and meets the needs of diverse learners;

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

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

3 (vi) Assistance in developing and implementing family and community
4 involvement programs emphasizing mathematics; and

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

7 (16) (~~(\$87,901,000)~~) \$125,000 of the general fund--state
8 appropriation for fiscal year 2004 and \$125,000 of the general fund--
9 state appropriation for fiscal year 2005 are provided for the Tukwila
10 school district and the Selah school district for a two-year project
11 designed to improve the districts' performance in reading and math and
12 to close the achievement gap within the district, subject to the
13 following conditions and limitations:

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

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

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

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

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

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

29 (iv) The program contains an evaluation component to determine the
30 effectiveness of the program, which will be reported to the legislature
31 and the superintendent of public instruction on an annual basis for the
32 duration of the project.

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

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

1 (17) \$125,822,000 of the general fund--federal appropriation is
2 provided for preparing, training, and recruiting high quality teachers
3 and principals under Title II of the no child left behind act.

4 (~~(17) \$25,046,000~~) (18) \$25,955,000 of the general fund--federal
5 appropriation is provided for the reading first program under Title I
6 of the no child left behind act.

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

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
10 **BILINGUAL PROGRAMS**

11	General Fund--State Appropriation (FY 2004)	((\$49,791,000))
12		<u>\$50,678,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$52,062,000))
14		<u>\$54,046,000</u>
15	General Fund--Federal Appropriation (FY 2005)	((\$46,309,000))
16		<u>\$44,544,000</u>
17	TOTAL APPROPRIATION	((\$148,162,000))
18		<u>\$149,268,000</u>

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

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

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

28 (3) The superintendent may withhold up to \$700,000 in school year
29 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
30 eligible pupil rates in subsection (2) of this section accordingly, for
31 the central provision of assessments as provided in RCW 28A.180.090 (1)
32 and (2).

33 (4) \$70,000 of the amounts appropriated in this section are
34 provided solely to develop a system for the tracking of current and
35 former transitional bilingual program students.

36 (5) The general fund--federal appropriation in this section is

1 provided for migrant education under Title I Part C and English
2 language acquisition, and language enhancement grants under Title III
3 of the elementary and secondary education act.

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

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
7 **ASSISTANCE PROGRAM**

8	General Fund--State Appropriation (FY 2004)	((\$65,385,000))
9		<u>\$64,366,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$64,051,000))
11		<u>\$62,927,000</u>
12	General Fund--Federal Appropriation	((\$307,178,000))
13		<u>\$301,322,000</u>
14	TOTAL APPROPRIATION	((\$436,614,000))
15		<u>\$428,615,000</u>

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

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

21 (b) Funding for school district learning assistance programs shall
22 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
23 04 school year and ((~~\$433.03~~)) \$432.52 per funded unit for the 2004-05
24 school year exclusive of salary and benefit adjustments provided under
25 section 504 of this act.

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

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

33 (i) The district's full-time equivalent enrollment in grades K-6,
34 multiplied by the 5-year average 4th grade lowest quartile test results
35 as adjusted for funding purposes in the school years prior to 1999-
36 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
37 shall be phased into the 5-year average on a 1-year lag;

1 (ii) The district's full-time equivalent enrollment in grades 7-9,
2 multiplied by the 5-year average 8th grade lowest quartile test results
3 as adjusted for funding purposes in the school years prior to 1999-
4 2000, multiplied by 0.82. As the 6th grade test becomes available, it
5 shall be phased into the 5-year average for these grades on a 1-year
6 lag;

7 (iii) The district's full-time equivalent enrollment in grades 10-
8 11 multiplied by the 5-year average 11th grade lowest quartile test
9 results, multiplied by 0.82. As the 9th grade test becomes available,
10 it shall be phased into the 5-year average for these grades on a 1-year
11 lag;

12 (iv) If, in the prior school year, the district's percentage of
13 October headcount enrollment in grades K-12 eligible for free and
14 reduced price lunch exceeded the state average, subtract the state
15 average percentage of students eligible for free and reduced price
16 lunch from the district's percentage and multiply the result by the
17 district's K-12 annual average full-time equivalent enrollment for the
18 current school year multiplied by 22.3 percent; and

19 (v) In addition to amounts allocated under (d) of this subsection,
20 for school districts in which the effective Title I Part A (basic
21 program) increase is insufficient to cover the formula change in the
22 multiplier from .92 to .82, a state allocation shall be provided that,
23 when combined with the effective increase in federal Title I Part A
24 (basic program) funds from the 2001-02 school year, is sufficient to
25 cover this amount. The effective Title I Part A (basic program)
26 increase is the current school year federal Title I Part A (basic
27 program) allocation minus the 2001-02 school year federal Title I Part
28 A (basic program) allocation, after the 2001-02 Title I Part A
29 allocation has been inflated by three percent.

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

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

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

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
4 **PROGRAM**

5	Student Achievement Fund--State	
6	Appropriation (FY 2004)	((\$203,123,000))
7		<u>\$206,825,000</u>
8	Student Achievement Fund--State	
9	Appropriation (FY 2005)	((\$195,080,000))
10		<u>\$195,535,000</u>
11	TOTAL APPROPRIATION	((\$398,203,000))
12		<u>\$402,360,000</u>

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

15 (1) Funding for school district student achievement programs shall
16 be allocated at a maximum rate of ((~~\$211.67~~)) \$211.72 per FTE student
17 for the 2003- 04 school year and \$254.00 per FTE student for the 2004-
18 05 school year. For the purposes of this section and in accordance
19 with RCW 84.52.068, FTE student refers to the annual average full-time
20 equivalent enrollment of the school district in grades kindergarten
21 through twelve for the prior school year.

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

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

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

29 (c) To provide extended learning opportunities to improve student
30 academic achievement in grades K-12, including, but not limited to,
31 extended school year, extended school day, before-and-after-school
32 programs, special tutoring programs, weekend school programs, summer
33 school, and all-day kindergarten;

34 (d) To provide additional professional development for educators
35 including additional paid time for curriculum and lesson redesign and
36 alignment, training to ensure that instruction is aligned with state
37 standards and student needs, reimbursement for higher education costs
38 related to enhancing teaching skills and knowledge, and mentoring

1 programs to match teachers with skilled, master teachers. The funding
2 shall not be used for salary increases or additional compensation for
3 existing teaching duties, but may be used for extended year and
4 extended day teaching contracts;

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

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

11 (3) For the 2003-04 school year, the office of the superintendent
12 of public instruction shall distribute ten percent of the school year
13 allocation to districts each month for the months of September through
14 June. For the 2004-05 school year, the superintendent of public
15 instruction shall distribute the school year allocation according to
16 the monthly apportionment schedule defined in RCW 28A.510.250.

17 **Sec. 515.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to
18 read as follows:

19 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State
20 general fund and state student achievement fund appropriations provided
21 to the superintendent of public instruction for state entitlement
22 programs in the public schools in this part V of this act may be
23 expended as needed by the superintendent for adjustments to
24 apportionment for prior fiscal periods. Recoveries of state general
25 fund moneys from school districts and educational service districts for
26 a prior fiscal period shall be made as reductions in apportionment
27 payments for the current fiscal period and shall be shown as prior year
28 adjustments on apportionment reports for the current period. Such
29 recoveries shall not be treated as revenues to the state, but as a
30 reduction in the amount expended against the appropriation for the
31 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	((11,126))	((11,126))	<u>11,242</u>
6		<u>11,242</u>		
7	State Board for Community and Technical Colleges	((126,070))	((126,070))	<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 **Sec. 604.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to
2 read as follows:

3 **FOR CENTRAL WASHINGTON UNIVERSITY**

4	General Fund--State Appropriation (FY 2004)	\$39,765,000
5	General Fund--State Appropriation (FY 2005)	((\$41,391,000))
6		<u>\$41,614,000</u>
7	TOTAL APPROPRIATION	((\$81,156,000))
8		<u>\$81,379,000</u>

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

11 (1) \$1,050,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$1,050,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided to expand university enrollment by 196
14 full-time equivalent students.

15 (2) \$206,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$418,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for competitively offered
18 recruitment and retention salary adjustments for instructional and
19 research faculty, exempt professional staff, academic administrators,
20 academic librarians, counselors, teaching and research assistants, as
21 classified by the office of financial management, and all other
22 nonclassified staff, but not including employees under RCW 28B.16.015.
23 Tuition revenues may be expended in addition to those required by this
24 section to further provide recruitment and retention salary
25 adjustments.

26 **Sec. 605.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to
27 read as follows:

28 **FOR THE EVERGREEN STATE COLLEGE**

29	General Fund--State Appropriation (FY 2004)	((\$22,881,000))
30		<u>\$22,856,000</u>
31	General Fund--State Appropriation (FY 2005)	((\$23,618,000))
32		<u>\$23,773,000</u>
33	TOTAL APPROPRIATION	((\$46,499,000))
34		<u>\$46,629,000</u>

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

1 (1) \$124,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$252,000 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 (2) The Washington state institute for public policy shall research
13 the following issues and provide reports to the legislature as
14 directed. The institute board shall prioritize and schedule all
15 studies based on staff capacity.

16 (a) \$110,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely for the Washington state institute for
18 public policy to review research assessing the effectiveness of
19 prevention and early intervention programs concerning children and
20 youth, including but not limited to, programs designed to reduce the
21 at-risk behaviors for children and youth identified in RCW
22 70.190.010(4).

23 Using this research, the institute shall identify specific
24 research-proven programs that produce a positive return on the dollar
25 compared to the costs of the program. The institute shall also develop
26 criteria designed to ensure quality implementation and program fidelity
27 of research-proven programs in the state. The criteria shall include
28 measures for ongoing monitoring and continual improvement of treatment
29 delivery, and shall be feasible for inclusion in a contract for
30 services. The institute shall develop recommendations for potential
31 state legislation that encourages local government investment in
32 research-proven prevention and early intervention programs by
33 reimbursing local governments for a portion of the savings that accrue
34 to the state as the result of local investments in such programs. The
35 institute shall present a preliminary report of its findings to the
36 appropriate committees of the legislature by December 1, 2003, and
37 shall present a final report by (~~March~~) July 1, 2004.

1 (b) \$26,000 of the general fund--state appropriation for fiscal
2 year 2004 is provided solely for the Washington state institute for
3 public policy to develop adherence and outcome standards for measuring
4 the effectiveness of treatment programs referred to in Chapter 378,
5 Laws of 2003 (ESSB 5903). The standards shall be developed and
6 presented to the governor and legislature by no later than January 1,
7 2004.

8 (c) \$100,000 of the general fund--state appropriation for fiscal
9 year 2004 is provided solely for the Washington state institute for
10 public policy to study the relationship between prison overcrowding and
11 construction, and the current state criminal sentencing structure.

12 (i) The institute shall determine whether any changes could be made
13 to the current state sentencing structure to address prison
14 overcrowding and the need for new prison construction, giving great
15 weight to the primary purposes of the criminal justice system. These
16 purposes include: Protecting community safety; making frugal use of
17 state and local government resources by concentrating resources on
18 violent offenders and sex offenders who pose the greatest risk to our
19 communities; achieving proportionality in sentencing; and reducing the
20 risk of reoffending by offenders in the community.

21 (ii) In developing its research plan, the institute may consult
22 with the sentencing guidelines commission, the caseload forecast
23 council, and interested stakeholders.

24 (iii) The institute for public policy shall present a preliminary
25 report of its findings to the governor and to the appropriate standing
26 committees of the legislature by December 15, 2003, and shall present
27 a final report regarding its findings and recommendations by March 15,
28 2004.

29 (d) \$12,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$12,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the Washington state institute
32 for public policy to examine the results of the changes in earned
33 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
34 determine whether the changes in earned release affect the rate of
35 recidivism or the type of offenses committed by persons whose release
36 dates were affected by the changes under the bill. The institute shall
37 report its findings to the governor and appropriate committees of the
38 legislature by no later than December 1, 2008.

1 (e) (~~(\$25,000 of the general fund--state appropriation for fiscal~~
2 ~~year 2004 and \$25,000)~~) \$65,000 of the general fund--state
3 appropriation for fiscal year 2005 (~~(are)~~) is provided solely for the
4 institute for public policy to conduct the evaluation outlined in
5 Second Engrossed Substitute Senate Bill No. 5012 or Second Substitute
6 House Bill No. 2295 (charter schools). If (~~(the)~~) neither bill is
7 (~~(not)~~) enacted by June 30, (~~(2003)~~) 2004, the amount(~~(s)~~) provided in
8 this subsection shall lapse.

9 (f) \$90,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely for the institute of public policy to
11 conduct the evaluation outlined in Second Substitute Senate Bill No.
12 5914 (higher education opportunities in Vancouver). If the bill is not
13 enacted by June 30, 2004, the amount provided in this subsection shall
14 lapse.

15 (g) \$25,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely for the institute for public policy to
17 examine issues related to the state's transitional bilingual education
18 program. The examination shall include, but is not limited to, a
19 review of the following issues: Trends in enrollment and average
20 length of stay in the transitional bilingual program; the different
21 types of programs and delivery methods that exist in Washington state
22 and other states; the academic and language acquisition effectiveness
23 of different types of programs and service delivery methods; the cost
24 benefits of these different types of programs and service delivery
25 methods; and potential changes that would result in more effective
26 program delivery and cost-effectiveness. The office of superintendent
27 of public instruction shall provide technical assistance and needed
28 data to assist in the institute's examination. The institute shall
29 provide a report of its findings to the governor and appropriate
30 committees of the legislature by December 1, 2004.

31 **Sec. 606.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
32 read as follows:

33 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
34 **ADMINISTRATION**

35	General Fund--State Appropriation (FY 2004)	(\$4,952,000)
36		<u>\$4,973,000</u>
37	General Fund--State Appropriation (FY 2005)	(\$7,716,000)

1		<u>\$10,331,000</u>
2	General Fund--Federal Appropriation	((\$642,000))
3		<u>\$649,000</u>
4	TOTAL APPROPRIATION	((\$13,310,000))
5		<u>\$15,953,000</u>

6 The appropriations in this section are provided to carry out the
7 policy coordination, planning, studies and administrative functions of
8 the board and are subject to the following conditions and limitations:

9 (1) Within the appropriations provided in this section, funds are
10 provided to continue the teacher training pilot program pursuant to
11 chapter 28B.80 RCW until standing authority for this program expires as
12 scheduled on January 1, 2005.

13 (2) \$175,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$175,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to continue a demonstration
16 project to improve rural access to post-secondary education by bringing
17 distance learning technologies into Jefferson county.

18 (3) ((~~\$2,755,000~~)) \$2,740,000 of the general fund--state
19 appropriation for fiscal year 2004 and ((~~\$5,520,000~~)) \$8,035,000 of the
20 general fund--state appropriation for fiscal year 2005 are provided
21 solely to contract for ((~~246~~)) 247 full-time equivalent students in
22 high demand fields in fiscal year 2004 and an additional ((~~254~~)) 481
23 full-time equivalent students in high demand fields in fiscal year
24 2005. High-demand fields are programs where enrollment access is
25 limited and employers are experiencing difficulty finding qualified
26 graduates to fill job openings. Of the amounts provided, up to \$70,000
27 may be used for management of the competitive process for awarding
28 high-demand student FTEs during the 2003-05 biennium.

29 (a) The board will manage a competitive process for awarding high-
30 demand student FTEs. Public baccalaureate institutions and private
31 independent institutions are eligible to apply for funding and may
32 submit proposals ((~~that include cooperative partnerships with private~~
33 ~~independent institutions~~)).

34 (b) Among coequals, the board shall make it a priority to fund
35 proposals that prepare students for careers in (i) nursing and other
36 health services; (ii) applied science and engineering; (iii) teaching
37 and speech pathology; (iv) computing and information technology; and
38 (v) viticulture and enology, but not to the exclusion of compelling

1 proposals that document specific regional student and employer demand
2 in fields not listed in this subsection. Proposals and grant awards
3 will separately identify one-time, nonrecurring costs and ongoing
4 costs.

5 (c) The board will establish a proposal review committee that will
6 include, but not be limited to, representatives from the board, the
7 office of financial management, and economic development and labor
8 market analysts. The board will develop the request for proposals,
9 including the criteria for awarding grants, in consultation with the
10 proposal review committee.

11 (d) Baccalaureate institutions that receive grants shall provide
12 the board and the forecast division of the office of financial
13 management with data specified by the board or the office of financial
14 management that shows the impact of this subsection, particularly the
15 degree of improved access to high-demand programs for students and
16 successful job placements for graduates. The board will report on the
17 implementation of this subsection by November 1 of each fiscal year to
18 the office of financial management and the fiscal and higher education
19 committees of the legislature.

20 (4) \$30,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$70,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely to evaluate the policy
23 alternatives described in this subsection.

24 (a) By December 15, 2004, the board shall provide a report of the
25 evaluation to the governor and the fiscal and higher education
26 committees of the legislature. This evaluation, where appropriate,
27 shall incorporate the analysis and recommendations that are contained
28 in (i) the final strategic master plan for higher education adopted by
29 the board in June 2004 and (ii) the public agenda for higher education
30 as presented and refined by the national collaborative for
31 postsecondary education.

32 (b) For each policy alternative, the board shall identify:

33 (i) The implementation costs in the 2005-07, 2007-09, and 2009-11
34 biennia from both the state general fund and tuition revenue;

35 (ii) The distribution of enrollments by specific institution,
36 location, and type of program;

37 (iii) The allocation to high demand and general enrollments;

38 (iv) The methods of delivery;

1 (v) The capital facility needs to ensure the physical and quality
2 capacity of the institutions; and

3 (vi) The funding needs for financial aid and the implications for
4 students depending on whether these needs are met.

5 (c) The policy alternatives to be evaluated shall include, but are
6 not limited to:

7 (i) Current participation and distribution of enrollments by
8 institution and sector are maintained; general fund subsidy and total
9 funding increase at the rate of the consumer price index; no capital
10 funding is provided to increase capacity; and the state need grant
11 policies are maintained;

12 (ii) Graduation rates and participation rates are in the top
13 quarter of all states, overall and within each sector, such as
14 community colleges, comprehensive universities, and research
15 universities; enrollments are distributed to sectors and locations
16 based upon population demand, and include evaluation of demand in Puget
17 Sound and southwest Washington; the state general fund subsidy
18 increases to pay for new enrollments at peer averages; total funding
19 increases to peer averages, capital funding increases to meet growth,
20 and current state need grant practices are maintained;

21 (iii) Graduation rates and participation rates are in the top
22 quarter of all states, overall and within each sector; enrollments are
23 distributed to sectors and locations based upon population demand, and
24 include evaluation of demand in Puget Sound and southwest Washington;
25 state general fund increases pay for estimated increases in financial
26 need; total funding increases to peer averages, capital funding
27 increases to meet growth, and current state need grant practices are
28 maintained, plus state funding to meet increased need;

29 (iv) The tuition levels necessary to achieve total funding per
30 student to average level in other states;

31 (v) Financial aid increases so that half of all students are able
32 to graduate debt free based on information provided to the institutions
33 of higher education, and, for those who have loan repayment
34 obligations, the obligations do not exceed 10 percent of graduates'
35 average annual post-graduation income; and

36 (vi) Engaging private independent colleges by replacing the state
37 general fund subsidy for public institutions with vouchers, which
38 students may use at any accredited higher education institution.

1 (3) \$75,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$75,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for higher education student child
4 care matching grants under chapter 28B.135 RCW.

5 (4) \$25,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$25,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the benefit of students who
8 participate in college assistance migrant programs (CAMP) operating in
9 Washington state. To ensure timely state aid, the board may establish
10 a date after which no additional grants would be available for the
11 2003-04 and 2004-05 academic years. The board shall disperse grants in
12 equal amounts to eligible post-secondary institutions so that state
13 money in all cases supplements federal CAMP awards.

14 (5) \$111,628,000 of the general fund--state appropriation for
15 fiscal year 2004 and (~~(\$120,420,000)~~) \$125,283,000 of the general
16 fund--state appropriation for fiscal year 2005 are provided solely for
17 the state need grant program. After April 1 of each fiscal year, up to
18 one percent of the annual appropriation for the state need grant
19 program may be transferred to the state work study program.

20 (6) \$17,048,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$17,048,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the state work study program.
23 After April 1 of each fiscal year, up to one percent of the annual
24 appropriation for the state work study program may be transferred to
25 the state need grant program. In addition to the administrative
26 allowance in subsection (12) of this section, four percent of the
27 general fund--state amount in this subsection may be expended for state
28 work study program administration.

29 (7) \$2,867,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$2,867,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for educational opportunity grants
32 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
33 deposit sufficient funds from its appropriation into the state
34 education trust fund as established in RCW 28B.10.821 to provide a one-
35 year renewal of the grant for each new recipient of the educational
36 opportunity grant award.

37 (8) \$1,919,000 of the general fund--state appropriation for fiscal
38 year 2004 and \$2,155,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to implement the Washington
2 scholars program. Any Washington scholars program moneys not awarded
3 by April 1st of each year may be transferred by the board to the
4 Washington award for vocational excellence.

5 (9) \$794,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$845,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely to implement Washington award for
8 vocational excellence program. Any Washington award for vocational
9 program moneys not awarded by April 1st of each year may be transferred
10 by the board to the Washington scholars program.

11 (10) \$246,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$246,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for community scholarship matching
14 grants of \$2,000 each. To be eligible for the matching grant, a
15 nonprofit community organization organized under section 501(c)(3) of
16 the internal revenue code must demonstrate that it has raised \$2,000 in
17 new moneys for college scholarships after the effective date of this
18 act. An organization may receive more than one \$2,000 matching grant
19 and preference shall be given to organizations affiliated with the
20 citizens' scholarship foundation.

21 (11) Subject to state need grant service requirements pursuant to
22 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
23 appropriation for fiscal year 2004 and \$6,050,000 of the general fund--
24 state appropriation for fiscal year 2005 are provided solely for the
25 Washington promise scholarship program.

26 (12) (~~(\$2,667,000)~~) \$2,678,000 of the general fund--state
27 appropriation for fiscal year 2004 and (~~(\$2,768,000)~~) \$2,820,000 of the
28 general fund--state appropriation for fiscal year 2005 are provided
29 solely for financial aid administration, in addition to the four
30 percent cost allowance provision for state work study under subsection
31 (6) of this section. These funds are provided to administer all the
32 financial aid and grant programs assigned to the board by the
33 legislature and administered by the agency. To the extent the
34 executive director finds the agency will not require the full sum
35 provided in this subsection, a portion may be transferred to supplement
36 financial grants-in-aid to eligible clients after notifying the board
37 and the office of financial management of the intended transfer.

1 (13) \$539,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$540,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the displaced homemakers
4 program.

5 (14) \$160,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely for Washington Center scholarships. The
7 funds shall be used to support college students who participate in
8 Washington Center internships in Washington, D.C.

(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)~~)
\$605,886,000

General Fund--State Appropriation (FY 2005) (~~(\$626,814,000)~~)
\$578,776,000

Debt-Limit General Fund Bond Retirement Account--
State Appropriation (~~(\$10,000,000)~~)
\$17,300,000

State Building Construction Account--State
Appropriation (~~(\$7,014,000)~~)
\$8,922,000

Debt-Limit Reimbursable Bond Retirement Account--
State Appropriation \$2,587,000

State Taxable Building Construction Account--
State Appropriation (~~(\$322,000)~~)
\$465,000

Gardner-Evans Higher Education Construction Account--
State Appropriation \$2,087,000

TOTAL APPROPRIATION (~~(\$1,216,923,000)~~)
\$1,216,013,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2003 1st sp.s. c 25 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE

1	REIMBURSED AS PRESCRIBED BY STATUTE	
2	General Fund--State Appropriation (FY 2004)	\$26,394,000
3	General Fund--State Appropriation (FY 2005)	\$24,805,000
4	Capitol Historic District Construction	
5	Account--State Appropriation	(\$299,000)
6		<u>\$323,000</u>
7	Higher Education Construction Account--State	
8	Appropriation	\$238,000
9	State Vehicle Parking Account--State	
10	Appropriation	\$102,000
11	Nondebt-Limit Reimbursable Bond Retirement Account--	
12	State Appropriation	\$128,375,000
13	TOTAL APPROPRIATION	(\$180,213,000)
14		<u>\$180,237,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: The general fund appropriation is for
17 deposit into the nondebt-limit general fund bond retirement account.

18 **Sec. 703.** 2003 1st sp.s. c 25 s 704 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
21 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

22	General Fund--State Appropriation (FY 2004)	\$526,000
23	General Fund--State Appropriation (FY 2005)	\$526,000
24	Higher Education Construction Account--State	
25	Appropriation	\$35,000
26	State Building Construction Account--State	
27	Appropriation	(\$2,032,000)
28		<u>\$2,083,000</u>
29	State Vehicle Parking Account--State	
30	Appropriation	\$17,000
31	Capitol Historic District Construction	
32	Account--State Appropriation	\$45,000
33	State Taxable Building Construction Account--	
34	State Appropriation	(\$50,000)
35		<u>\$60,000</u>
36	<u>Gardner-Evans Higher Education Construction Account--</u>	
37	<u>State Appropriation</u>	<u>\$180,000</u>

1 TOTAL APPROPRIATION ((~~\$3,231,000~~))
2 \$3,472,000

3 **Sec. 704.** 2003 1st sp.s. c 25 s 709 (uncodified) is amended to
4 read as follows:

5 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

6 General Fund--State Appropriation (FY 2004) \$8,243,000
7 General Fund--State Appropriation (FY 2005) ((~~\$38,879,000~~))
8 \$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	<u>General Fund--State Appropriation (FY 2005)</u>	<u>(\$10,638,000)</u>
17	<u>Dedicated Funds and Accounts Appropriation</u>	<u>(\$4,572,000)</u>
18	<u>TOTAL APPROPRIATION</u>	<u>(\$15,210,000)</u>

19
20 The appropriations in this section are subject to the following
21 conditions and limitations: The office of financial management shall
22 ~~((reduce allotments for all agencies by \$10,638,000 from 2003-05~~
23 ~~biennial general fund appropriations in this act)) update agency~~
24 appropriation schedules to reflect the reduction in contributions to
25 the liability account(~~(. The general fund allotment reduction shall be~~
26 ~~placed in unallotted status and remain unexpended)) as identified by~~
27 agency and account in OFM document 2004-02 dated December 18, 2003,
28 which is hereby incorporated by reference.

29 NEW SECTION. **Sec. 708.** A new section is added to 2003 1st sp.s.
30 c 25 (uncodified) to read as follows:

31 **AGENCY EXPENDITURES FOR TORT LIABILITY.** The office of financial
32 management shall reduce allotments for all agencies by \$10,000,000 from
33 fiscal year 2005 general fund--state appropriations in this act to
34 reflect the reduction in state tort liability under Engrossed
35 Substitute Senate Bill No. 5728 (civil liability reform). The general
36 fund allotment reduction shall be placed in unallotted status and
37 remain unexpended.

1 NEW SECTION. **Sec. 711.** A new section is added to 2003 1st sp.s.
2 c 25 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT**
4 **SYSTEMS**

5 General Fund--State Appropriation (FY 2005)	\$1,600,000
6 Salary and Insurance Increase Revolving Account	
7 Appropriation	\$400,000
8 TOTAL APPROPRIATION	\$2,000,000

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

11 (1) \$1,100,000 of the general fund--state appropriation for fiscal
12 year 2005 and \$200,000 of the salary and insurance increase revolving
13 account appropriation in this section are provided solely to make
14 adjustments necessary to agency appropriations to reflect costs
15 resulting from changing the vesting period in public employees'
16 retirement system plan 3, the teachers' retirement system plan 3, and
17 the school employees' retirement system plan 3 to five years as
18 provided in Senate Bill No. 6247 (retirement vesting). If the bill is
19 not enacted by June 30, 2004, the amounts provided in this subsection
20 shall lapse.

21 (2) \$500,000 of the general fund--state appropriation for fiscal
22 year 2005 and \$200,000 of the salary and insurance increase revolving
23 account appropriation in this section are provided solely to make
24 adjustments necessary to agency appropriations to reflect costs
25 resulting from establishing a \$1,000 minimum monthly benefit in the
26 public employees' retirement system plan 1 and the teachers' retirement
27 system plan 1 as provided in Senate Bill No. 6253 (minimum monthly
28 benefit). If the bill is not enacted by June 30, 2004, the amounts
29 provided in this subsection shall lapse.

30 (3) To facilitate the transfer of moneys from dedicated funds and
31 accounts, the state treasurer is directed to transfer sufficient moneys
32 from each dedicated fund or account to the salary and insurance
33 increase revolving account in accordance with schedules provided by the
34 office of financial management.

35 NEW SECTION. **Sec. 712.** A new section is added to 2003 1st sp.s.
36 c 25 (uncodified) to read as follows:

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.

30 **Sec. 715.** 2003 1st sp.s. c 25 s 710 (uncodified) is amended to
31 read as follows:

32 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
33 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
34 the following conditions and limitations: The appropriations for the
35 law enforcement officers' and firefighters' retirement system shall be

1 made on a monthly basis beginning July 1, 2003, consistent with chapter
2 41.45 RCW, and the appropriations for the judges and judicial
3 retirement systems shall be made on a quarterly basis consistent with
4 chapters 2.10 and 2.12 RCW.

5 (1) There is appropriated for state contributions to the law
6 enforcement officers' and fire fighters' retirement system:

7	General Fund--State Appropriation (FY 2004)	((\$21,256,000))
8		<u>\$20,256,000</u>
9	General Fund--State Appropriation (FY 2005)	((\$20,914,000))
10		<u>\$21,414,000</u>

11 (2) There is appropriated for contributions to the judicial
12 retirement system:

13	General Fund--State Appropriation (FY 2004)	\$6,000,000
14	General Fund--State Appropriation (FY 2005)	\$6,000,000

15 (3) There is appropriated for contributions to the judges
16 retirement system:

17	General Fund--State Appropriation (FY 2004)	\$500,000
18	General Fund--State Appropriation (FY 2005)	\$500,000
19	TOTAL APPROPRIATION	((\$55,170,000))
20		<u>\$54,670,000</u>

(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)

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 28A.500.030 and 2003 1st sp.s. c 25 s 912 are each
19 amended to read as follows:

20 Allocation of state matching funds to eligible districts for local
21 effort assistance shall be determined as follows:

22 (1) Funds raised by the district through maintenance and operation
23 levies shall be matched with state funds using the following ratio of
24 state funds to levy funds:

25 (a) The difference between the district's twelve percent levy rate
26 and the statewide average twelve percent levy rate; to

27 (b) The statewide average twelve percent levy rate.

28 (2) The maximum amount of state matching funds for districts
29 eligible for local effort assistance shall be the district's twelve
30 percent levy amount, multiplied by the following percentage:

31 (a) The difference between the district's twelve percent levy rate
32 and the statewide average twelve percent levy rate; divided by

33 (b) The district's twelve percent levy rate.

34 (3) Calendar year 2003 allocations and maximum eligibility under
35 this chapter shall be multiplied by 0.99.

36 (4) From January 1, 2004, to ((June 30, 2005)) December 31, 2004,

1 allocations and maximum eligibility under this chapter shall be
2 multiplied by 0.937.

3 **Sec. 905.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
4 to read as follows:

5 (1) The proceeds from the sale of the bonds authorized herein shall
6 be deposited in the state building construction account which is hereby
7 established in the state treasury and shall be used exclusively for the
8 purposes of carrying out the provisions of the capital appropriation
9 acts, and for payment of the expense incurred in the printing,
10 issuance, and sale of such bonds.

11 (2) During the 2003-2005 biennium, the legislature may transfer
12 moneys from the state building construction account to the conservation
13 assistance revolving account such amounts as reflect the excess fund
14 balance of the account.

15 **Sec. 906.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
16 read as follows:

17 (1) The director of financial management shall provide all agencies
18 with a complete set of instructions for submitting biennial budget
19 requests to the director at least three months before agency budget
20 documents are due into the office of financial management. The
21 director shall provide agencies and committees that are required under
22 RCW 44.40.070 to develop comprehensive six-year program and financial
23 plans with a complete set of instructions for submitting these program
24 and financial plans at the same time that instructions for submitting
25 other budget requests are provided. The budget document or documents
26 shall consist of the governor's budget message which shall be
27 explanatory of the budget and shall contain an outline of the proposed
28 financial policies of the state for the ensuing fiscal period, as well
29 as an outline of the proposed six-year financial policies where
30 applicable, and shall describe in connection therewith the important
31 features of the budget. The message shall set forth the reasons for
32 salient changes from the previous fiscal period in expenditure and
33 revenue items and shall explain any major changes in financial policy.
34 Attached to the budget message shall be such supporting schedules,
35 exhibits and other explanatory material in respect to both current
36 operations and capital improvements as the governor shall deem to be

1 useful to the legislature. The budget document or documents shall set
2 forth a proposal for expenditures in the ensuing fiscal period, or six-
3 year period where applicable, based upon the estimated revenues and
4 caseloads as approved by the economic and revenue forecast council and
5 caseload forecast council or upon the estimated revenues and caseloads
6 of the office of financial management for those funds, accounts,
7 sources, and programs for which the forecast councils do not prepare an
8 official forecast, including those revenues anticipated to support the
9 six-year programs and financial plans under RCW 44.40.070. In
10 estimating revenues to support financial plans under RCW 44.40.070, the
11 office of financial management shall rely on information and advice
12 from the transportation revenue forecast council. Revenues shall be
13 estimated for such fiscal period from the source and at the rates
14 existing by law at the time of submission of the budget document,
15 including the supplemental budgets submitted in the even-numbered years
16 of a biennium. However, the estimated revenues and caseloads for use
17 in the governor's budget document may be adjusted to reflect budgetary
18 revenue transfers and revenue and caseload estimates dependent upon
19 budgetary assumptions of enrollments, workloads, and caseloads. All
20 adjustments to the approved estimated revenues and caseloads must be
21 set forth in the budget document. The governor may additionally
22 submit, as an appendix to each supplemental, biennial, or six-year
23 agency budget or to the budget document or documents, a proposal for
24 expenditures in the ensuing fiscal period from revenue sources derived
25 from proposed changes in existing statutes.

26 Supplemental and biennial documents shall reflect a six-year
27 expenditure plan consistent with estimated revenues from existing
28 sources and at existing rates for those agencies required to submit
29 six-year program and financial plans under RCW 44.40.070. Any
30 additional revenue resulting from proposed changes to existing statutes
31 shall be separately identified within the document as well as related
32 expenditures for the six-year period.

33 The budget document or documents shall also contain:

34 (a) Revenues classified by fund and source for the immediately past
35 fiscal period, those received or anticipated for the current fiscal
36 period, those anticipated for the ensuing biennium, and those
37 anticipated for the ensuing six-year period to support the six-year
38 programs and financial plans required under RCW 44.40.070;

1 (b) The undesignated fund balance or deficit, by fund;

2 (c) Such additional information dealing with expenditures,
3 revenues, workload, performance, and personnel as the legislature may
4 direct by law or concurrent resolution;

5 (d) Such additional information dealing with revenues and
6 expenditures as the governor shall deem pertinent and useful to the
7 legislature;

8 (e) Tabulations showing expenditures classified by fund, function,
9 activity, and agency. However, documents submitted for the ((2003-05))
10 2005-07 biennial budget request need not show expenditures by activity;

11 (f) A delineation of each agency's activities, including those
12 activities funded from nonbudgeted, nonappropriated sources, including
13 funds maintained outside the state treasury;

14 (g) Identification of all proposed direct expenditures to implement
15 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
16 agency and in total; and

17 (h) Tabulations showing each postretirement adjustment by
18 retirement system established after fiscal year 1991, to include, but
19 not be limited to, estimated total payments made to the end of the
20 previous biennial period, estimated payments for the present biennium,
21 and estimated payments for the ensuing biennium.

22 (2) The budget document or documents shall include detailed
23 estimates of all anticipated revenues applicable to proposed operating
24 or capital expenditures and shall also include all proposed operating
25 or capital expenditures. The total of beginning undesignated fund
26 balance and estimated revenues less working capital and other reserves
27 shall equal or exceed the total of proposed applicable expenditures.
28 The budget document or documents shall further include:

29 (a) Interest, amortization and redemption charges on the state
30 debt;

31 (b) Payments of all reliefs, judgments, and claims;

32 (c) Other statutory expenditures;

33 (d) Expenditures incident to the operation for each agency;

34 (e) Revenues derived from agency operations;

35 (f) Expenditures and revenues shall be given in comparative form
36 showing those incurred or received for the immediately past fiscal
37 period and those anticipated for the current biennium and next ensuing

1 biennium, as well as those required to support the six-year programs
2 and financial plans required under RCW 44.40.070;

3 (g) A showing and explanation of amounts of general fund and other
4 funds obligations for debt service and any transfers of moneys that
5 otherwise would have been available for appropriation;

6 (h) Common school expenditures on a fiscal-year basis;

7 (i) A showing, by agency, of the value and purpose of financing
8 contracts for the lease/purchase or acquisition of personal or real
9 property for the current and ensuing fiscal periods; and

10 (j) A showing and explanation of anticipated amounts of general
11 fund and other funds required to amortize the unfunded actuarial
12 accrued liability of the retirement system specified under chapter
13 41.45 RCW, and the contributions to meet such amortization, stated in
14 total dollars and as a level percentage of total compensation.

15 (3) A separate capital budget document or schedule shall be
16 submitted that will contain the following:

17 (a) A statement setting forth a long-range facilities plan for the
18 state that identifies and includes the highest priority needs within
19 affordable spending levels;

20 (b) A capital program consisting of proposed capital projects for
21 the next biennium and the two biennia succeeding the next biennium
22 consistent with the long-range facilities plan. Inasmuch as is
23 practical, and recognizing emergent needs, the capital program shall
24 reflect the priorities, projects, and spending levels proposed in
25 previously submitted capital budget documents in order to provide a
26 reliable long-range planning tool for the legislature and state
27 agencies;

28 (c) A capital plan consisting of proposed capital spending for at
29 least four biennia succeeding the next biennium;

30 (d) A strategic plan for reducing backlogs of maintenance and
31 repair projects. The plan shall include a prioritized list of specific
32 facility deficiencies and capital projects to address the deficiencies
33 for each agency, cost estimates for each project, a schedule for
34 completing projects over a reasonable period of time, and
35 identification of normal maintenance activities to reduce future
36 backlogs;

37 (e) A statement of the reason or purpose for a project;

- 1 (f) Verification that a project is consistent with the provisions
2 set forth in chapter 36.70A RCW;
- 3 (g) A statement about the proposed site, size, and estimated life
4 of the project, if applicable;
- 5 (h) Estimated total project cost;
- 6 (i) For major projects valued over five million dollars, estimated
7 costs for the following project components: Acquisition, consultant
8 services, construction, equipment, project management, and other costs
9 included as part of the project. Project component costs shall be
10 displayed in a standard format defined by the office of financial
11 management to allow comparisons between projects;
- 12 (j) Estimated total project cost for each phase of the project as
13 defined by the office of financial management;
- 14 (k) Estimated ensuing biennium costs;
- 15 (l) Estimated costs beyond the ensuing biennium;
- 16 (m) Estimated construction start and completion dates;
- 17 (n) Source and type of funds proposed;
- 18 (o) Estimated ongoing operating budget costs or savings resulting
19 from the project, including staffing and maintenance costs;
- 20 (p) For any capital appropriation requested for a state agency for
21 the acquisition of land or the capital improvement of land in which the
22 primary purpose of the acquisition or improvement is recreation or
23 wildlife habitat conservation, the capital budget document, or an
24 omnibus list of recreation and habitat acquisitions provided with the
25 governor's budget document, shall identify the projected costs of
26 operation and maintenance for at least the two biennia succeeding the
27 next biennium. Omnibus lists of habitat and recreation land
28 acquisitions shall include individual project cost estimates for
29 operation and maintenance as well as a total for all state projects
30 included in the list. The document shall identify the source of funds
31 from which the operation and maintenance costs are proposed to be
32 funded;
- 33 (q) Such other information bearing upon capital projects as the
34 governor deems to be useful;
- 35 (r) Standard terms, including a standard and uniform definition of
36 normal maintenance, for all capital projects;
- 37 (s) Such other information as the legislature may direct by law or
38 concurrent resolution.

1 For purposes of this subsection (3), the term "capital project"
2 shall be defined subsequent to the analysis, findings, and
3 recommendations of a joint committee comprised of representatives from
4 the house capital appropriations committee, senate ways and means
5 committee, legislative transportation committee, legislative evaluation
6 and accountability program committee, and office of financial
7 management.

8 (4) No change affecting the comparability of agency or program
9 information relating to expenditures, revenues, workload, performance
10 and personnel shall be made in the format of any budget document or
11 report presented to the legislature under this section or RCW
12 43.88.160(1) relative to the format of the budget document or report
13 which was presented to the previous regular session of the legislature
14 during an odd-numbered year without prior legislative concurrence.
15 Prior legislative concurrence shall consist of (a) a favorable majority
16 vote on the proposal by the standing committees on ways and means of
17 both houses if the legislature is in session or (b) a favorable
18 majority vote on the proposal by members of the legislative evaluation
19 and accountability program committee if the legislature is not in
20 session.

21 **Sec. 907.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
22 read as follows:

23 (1) The K-20 technology account is hereby created in the state
24 treasury. The department of information services shall deposit into
25 the account moneys received from legislative appropriations, gifts,
26 grants, and endowments for the buildout and installation of the K-20
27 telecommunication system. The account shall be subject to
28 appropriation and may be expended solely for the K-20 telecommunication
29 system. Disbursements from the account shall be on authorization of
30 the director of the department of information services with approval of
31 the board.

32 (2) During the 2003-2005 biennium, the legislature may transfer
33 moneys from the K-20 technology account to the state general fund such
34 amounts as reflect the excess fund balance of the account.

35 **Sec. 908.** RCW 43.105.835 and 1999 c 285 s 10 are each amended to
36 read as follows:

1 (1) The education technology revolving fund is created in the
2 custody of the state treasurer. All receipts from billings under
3 subsection (2) of this section must be deposited in the revolving fund.
4 Only the director of the department of information services or the
5 director's designee may authorize expenditures from the fund. The
6 revolving fund shall be used to pay for network operations, transport,
7 equipment, software, supplies, and services, maintenance and
8 depreciation of on-site data, and shared infrastructure, and other
9 costs incidental to the development, operation, and administration of
10 shared educational information technology services, telecommunications,
11 and systems. The revolving fund shall not be used for the acquisition,
12 maintenance, or operations of local telecommunications infrastructure
13 or the maintenance or depreciation of on-premises video equipment
14 specific to a particular institution or group of institutions.

15 (2) The revolving fund and all disbursements from the revolving
16 fund are subject to the allotment procedure under chapter 43.88 RCW,
17 but an appropriation is not required for expenditures. The department
18 of information services shall, in consultation with entities connected
19 to the network under RCW 43.105.820 and subject to the review and
20 approval of the office of financial management, establish and implement
21 a billing structure for network services identified in subsection (1)
22 of this section.

23 (3) The department shall charge those public entities connected to
24 the K-20 telecommunications [telecommunication system] under RCW
25 43.105.820 an annual copayment per unit of transport connection as
26 determined by the legislature after consideration of the K-20 board's
27 recommendations. This copayment shall be deposited into the revolving
28 fund to be used for the purposes in subsection (1) of this section. It
29 is the intent of the legislature to appropriate to the revolving fund
30 such moneys as necessary to cover the costs for transport, maintenance,
31 and depreciation of data equipment located at the individual public
32 institutions, maintenance and depreciation of the network backbone, and
33 services provided to the network under RCW 43.105.815.

34 (4) During the 2003-05 biennium, the legislature may transfer
35 moneys from the education technology revolving fund to the state
36 general fund and the data processing revolving fund such amounts as
37 reflect the excess fund balance of the account.

1 NEW SECTION. **Sec. 912.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

(End of part)

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