PROPOSED SENATE 2003-05 OPERATING BUDGET BILL (PSSB 5404)

SENATE CHAIR

WASHINGTON STATE SENATE COMMITTEE SERVICES

SENATE WAYS AND MEANS COMMITTEE
APRIL 2, 2003
BILL REQ. #: S-2784.2/03 2nd draft
ATTY/TYPIST: LL:mos
BRIEF DESCRIPTION: Making 2003-05 operating appropriations.
AN ACT Relating to fiscal matters; amending RCW 9.46.100, 19.28.351, 28A.500.030, 38.52.106, 41.50.110, 43.08.190, 43.03.050, 43.10.180, 43.43.944, 43.320.110, 46.09.170, 48.02.190, 49.26.130, 50.16.010, 51.44.170, 67.40.040, 69.50.520, 70.79.350, 70.146.030, 80.01.080, 82.14.200, 82.14.210, and 86.26.007; reenacting and amending RCW 43.08.250 and 43.135.045; amending 2003 c . . . (SSB 5403) s 707 (uncodified); creating new sections; making appropriations; and declaring an emergency.

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

NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through VIII of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 2003, and ending June 30, 2005, except as otherwise provided, out of the several funds of the state hereinafter named.
Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 2004" or "FY 2004" means the fiscal year ending June 30, 2004.

(b) "Fiscal year 2005" or "FY 2005" means the fiscal year ending June 30, 2005.

(c) "FTE" means full time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is unnecessary to fulfill the specified purpose shall lapse.

PART I
GENERAL GOVERNMENT

NEW SECTION. Sec. 101. FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2004) ............. $27,000,000
General Fund--State Appropriation (FY 2005) ............. $27,207,000
Department of Retirement Systems Expense Account--
  State Appropriation ....................................... $45,000
  TOTAL APPROPRIATION .................................... $54,252,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $25,000 of the general fund--state appropriation is provided for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.
(2) $171,000 of the general fund--state appropriation is provided for the legislative ethics board.

NEW SECTION. Sec. 102. FOR THE SENATE

General Fund--State Appropriation (FY 2004) ............. $21,222,000
General Fund--State Appropriation (FY 2005) ............. $22,396,000
Department of Retirement Systems Expense Account--
  State Appropriation ....................................... $45,000
  TOTAL APPROPRIATION .................................... $43,663,000

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

(1) $25,000 of the general fund--state appropriation is provided for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.

(2) $171,000 of the general fund--state appropriation is provided for the legislative ethics board.

NEW SECTION.  Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE
General Fund--State Appropriation (FY 2004) ................ $1,673,000
General Fund--State Appropriation (FY 2005) ................ $1,763,000
TOTAL APPROPRIATION ........................................... $3,436,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section provide for several studies required by 2003 legislation, including Senate Bill No. 5325 (impact funds to cities). In addition to the study of positive and negative impacts of state facilities described in the bill, the joint legislative audit and review committee shall also study the impacts of the Rainier school for developmentally disabled persons in Buckley, Washington.

NEW SECTION.  Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE
General Fund--State Appropriation (FY 2004) ................ $1,597,000
General Fund--State Appropriation (FY 2005) ................ $1,745,000
TOTAL APPROPRIATION ........................................... $3,342,000

The appropriations in this section are subject to the following conditions and limitations: $25,000 of the general fund--state appropriation for fiscal year 2004 and $25,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the legislative evaluation and accountability program committee, in consultation with the state office of the forecast council, to establish and maintain a set of economic indicators that could be used for adjusting the statewide salary schedule by a regional cost-of-living index. The economic indicators to be included in this index include but are not limited to the median cost of housing.
(1) In developing the regional cost-of-living index, the legislative evaluation and accountability program committee shall collect data on the economic activity comprising the cost-of-living indexes for geographic areas of the state coterminous with the boundaries of the nine educational service districts established under RCW 28A.310.010.

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

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

### New Section

**Sec. 105. For the Office of the State Actuary**

<table>
<thead>
<tr>
<th>Department of Retirement Systems Expense Account--</th>
<th>State Appropriation</th>
<th>$2,143,000</th>
</tr>
</thead>
</table>

### New Section

**Sec. 106. For the Joint Legislative Systems Committee**

<table>
<thead>
<tr>
<th>General Fund--State Appropriation (FY 2004)</th>
<th>$6,767,000</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$6,766,000</td>
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<td><strong>TOTAL APPROPRIATION</strong></td>
<td><strong>$13,533,000</strong></td>
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### New Section

**Sec. 107. For the Statute Law Committee**

<table>
<thead>
<tr>
<th>General Fund--State Appropriation (FY 2004)</th>
<th>$3,897,000</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$4,000,000</td>
</tr>
<tr>
<td><strong>TOTAL APPROPRIATION</strong></td>
<td><strong>$7,897,000</strong></td>
</tr>
</tbody>
</table>
NEW SECTION. Sec. 108. LEGISLATIVE AGENCIES. In order to achieve operating efficiencies within the financial resources available to the legislative branch, the executive rules committee of the house of representatives and the facilities and operations committee of the senate by joint action may transfer funds among the house of representatives, senate, joint legislative audit and review committee, legislative evaluation and accountability program committee, legislative transportation committee, office of the state actuary, joint legislative systems committee, and statute law committee.

NEW SECTION. Sec. 109. FOR THE SUPREME COURT
General Fund--State Appropriation (FY 2004) ............. $5,487,000
General Fund--State Appropriation (FY 2005) ............. $5,690,000
TOTAL APPROPRIATION ..................................... $11,177,000

NEW SECTION. Sec. 110. FOR THE LAW LIBRARY
General Fund--State Appropriation (FY 2004) ............. $2,001,000
General Fund--State Appropriation (FY 2005) ............. $2,006,000
TOTAL APPROPRIATION ..................................... $4,007,000

NEW SECTION. Sec. 111. FOR THE COURT OF APPEALS
General Fund--State Appropriation (FY 2004) ............. $12,595,000
General Fund--State Appropriation (FY 2005) ............. $12,831,000
TOTAL APPROPRIATION ..................................... $25,426,000

NEW SECTION. Sec. 112. FOR THE COMMISSION ON JUDICIAL CONDUCT
General Fund--State Appropriation (FY 2004) ............. $859,000
General Fund--State Appropriation (FY 2005) ............. $861,000
TOTAL APPROPRIATION ..................................... $1,720,000

NEW SECTION. Sec. 113. FOR THE ADMINISTRATOR FOR THE COURTS
General Fund--State Appropriation (FY 2004) ............. $18,465,000
General Fund--State Appropriation (FY 2005) ............. $18,310,000
Public Safety and Education Account--State Appropriation .................................. $34,673,000
Judicial Information Systems Account--State Appropriation .................................... $25,549,000
TOTAL APPROPRIATION ..................................... $96,997,000
The appropriations in this section are subject to the following conditions and limitations:

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

2. $531,000 of the public safety and education account appropriation is provided solely for allocation to the department of community, trade, and economic development for civil indigent legal services.

3. $750,000 of the general fund--state appropriation for fiscal year 2002 and $750,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for court-appointed special advocates in dependency matters. The administrator for the courts, after consulting with the association of juvenile court administrators and the association of court-appointed special advocate/guardian ad litem programs, shall distribute the funds to volunteer court-appointed special advocate/guardian ad litem programs. The distribution of funding shall be based on the number of children who need volunteer court-appointed special advocate representation and shall be equally accessible to all volunteer court-appointed special advocate/guardian ad litem programs. The administrator for the courts shall not retain more than six percent of total funding to cover administrative or any other agency costs.

4. $750,000 of the public safety and education account--state appropriation is provided solely for judicial program enhancements. Within the funding provided in this subsection, the administrator for the courts, in consultation with the supreme court, shall determine the program or programs to receive an enhancement. Among the programs that may be funded from the amount provided in this subsection are unified family courts.

5. $9,937,000 of the judicial information systems account--state appropriation is provided solely for improvements and enhancements to the judicial information system. This funding shall only be expended after the office of the administrator for the courts certifies to the office of financial management that there will be at least a $1,000,000 ending fund balance in the judicial information systems account at the end of the 2003-05 biennium.
(6) $3,000,000 of the public safety and education account--state appropriation is provided solely for school district petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The office of the administrator for the courts shall develop an interagency agreement with the office of the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed.

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

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

(9) Each quarter during the 2001-03 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing the petitions in each of the following categories: Truancy, children in need of services, and at-risk youth. Counties shall submit the reports to the department no later than 45 days after the end of the quarter. The office of the administrator for the courts shall forward this information to the chair and ranking minority member of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a quarter ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(10) $1,813,000 of the general fund--state appropriation for fiscal year 2004 and $1,562,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the purposes of Senate Bill
No. 6002 (financial obligations). If the bill is not enacted by July 1, 2003, this funding shall lapse. Of these amounts, $813,000 of the general fund--state appropriation for fiscal year 2004 and $762,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for billing and directly related costs for the office for the administrator for the courts. The remaining general fund--state appropriation for fiscal year 2004 of $1,000,000 and the remaining general fund--state appropriation for fiscal year 2005 are provided solely for distribution to the county clerks for collection of legal financial obligations. The funding shall be distributed by the office for the administrator for the courts to the county clerks, based on a funding formula determined by the Washington association of county officials, as described in Senate Bill No. 6002.

NEW SECTION. Sec. 114. FOR THE OFFICE OF PUBLIC DEFENSE

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
<td>$666,000</td>
</tr>
<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$884,000</td>
</tr>
<tr>
<td>Public Safety and Education Account--State Appropriation</td>
<td>$12,383,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$13,933,000</td>
</tr>
</tbody>
</table>

The appropriations in this section are subject to the following conditions and limitations:
(1) $51,000 of the public safety and education account appropriation is provided solely for the implementation of chapter 303, Laws of 1999 (extraordinary criminal justice costs).
(2) Amounts provided from the public safety and education account appropriation in this section include funding for investigative services in death penalty personal restraint petitions.

NEW SECTION. Sec. 115. FOR THE OFFICE OF THE GOVERNOR

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
<td>$4,089,000</td>
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<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>$3,892,000</td>
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<tr>
<td>General Fund--Federal Appropriation</td>
<td>$1,120,000</td>
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<tr>
<td>Water Quality Account--State Appropriation</td>
<td>$3,716,000</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
<td>$12,817,000</td>
</tr>
</tbody>
</table>

The appropriations in this section are subject to the following conditions and limitations:
(1) $3,716,000 of the water quality account appropriation and $1,120,000 of the general fund--federal appropriation are provided solely for the Puget Sound water quality action team to implement the Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

(2) $300,000 of the general fund--state appropriation for fiscal year 2004 and $100,000 of the general fund--state appropriation for fiscal year 2005 shall be used to develop and disseminate scientifically-based, voluntary, kindergarten readiness standards.

NEW SECTION.  Sec. 116. FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2004) .................. $548,000
General Fund--State Appropriation (FY 2005) .................. $550,000
TOTAL APPROPRIATION .................. $1,098,000

NEW SECTION.  Sec. 117. FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2004) .................. $1,795,000
General Fund--State Appropriation (FY 2005) .................. $1,778,000
TOTAL APPROPRIATION .................. $3,573,000

NEW SECTION.  Sec. 118. FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2004) .................. $22,597,000
General Fund--State Appropriation (FY 2005) .................. $15,171,000
General Fund--Federal Appropriation .................. $20,058,000
Archives and Records Management Account--State
  Appropriation .................. $8,960,000
Archives and Records Management Account--Private/Local
  Appropriation .................. $7,023,000
Department of Personnel Service Account
  Appropriation .................. $585,000
TOTAL APPROPRIATION .................. $74,394,000

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

(1) $2,296,000 of the general fund--state appropriation for fiscal year 2004 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.
(2) $1,826,000 of the general fund--state appropriation for fiscal year 2004 and $2,686,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, and the publication and distribution of the voters and candidates pamphlet.

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

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

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

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

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

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

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

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

(5) $867,000 of the archives and records management account--state appropriation is provided solely for operation of the central microfilming bureau under RCW 40.14.020(8).

(6) $6,340,000 of the general fund--state appropriation for fiscal year 2004 is provided solely to reimburse the counties for the state's share of the cost of conducting the presidential primary.

(7) $600,000 of the archives and record management--private/local appropriation is provided solely to assist local governments in disaster recovery efforts to protect and preserve archival documents, upon approval of the director of financial management. A committee composed of the secretary of state, or designee, the state archivist, one county auditor, one county clerk member of the archives oversight committee, and a representative from the office of financial management shall establish the funding criteria and process by September 30, 2003. The division of archives shall submit an annual report to the office of financial management and the legislative fiscal committees detailing disaster recovery costs from this appropriation by individual disaster. The report shall include: (a) Estimates of total costs; (b) actual expenditures to date; and (c) estimates of total remaining expenditures to be paid.

(8) Funding is provided for the continued operation of the institutional libraries operated by the state library.

NEW SECTION. Sec. 119. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $235,000

General Fund--State Appropriation (FY 2005) . . . . . . . . . . $247,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $482,000

The appropriations in this section are subject to the following conditions and limitations: $10,000 of the general fund--state appropriation for fiscal year 2004 is provided solely to facilitate the colocation, including remodeling costs, of the office of Indian Affairs.
into the same facility shared by the commission on Asian Pacific American Affairs, commission on African American Affairs, and the commission on Hispanic Affairs.

NEW SECTION.  Sec. 120. FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2004) . . . . . . . . $192,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $192,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . $384,000

NEW SECTION.  Sec. 121. FOR THE STATE TREASURER

State Treasurer's Service Account--State Appropriation . . $12,713,000

NEW SECTION.  Sec. 122. FOR THE STATE AUDITOR

General Fund--State Appropriation (FY 2004) . . . . . . . . $1,506,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $707,000
State Auditing Services Revolving Account--State Appropriation . . . . . . . . . . . . . . . . . . . . $12,015,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . $14,228,000

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

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

(2) $812,000 of the general fund--state appropriation for fiscal year 2004 and $827,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

(3) $800,000 of the general fund--state appropriation for fiscal
year 2004 is provided solely to implement Substitute Senate Bill No. 5909 (governmental accountability). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 123. FOR THE CITIZENS’ COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2004) .................. $77,000
General Fund--State Appropriation (FY 2005) .................. $150,000
TOTAL APPROPRIATION .................. $227,000

NEW SECTION. Sec. 124. FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2004) .................. $4,134,000
General Fund--State Appropriation (FY 2005) .................. $4,190,000
General Fund--Federal Appropriation .................. $2,841,000
Public Safety and Education Account--State Appropriation .................. $1,810,000
New Motor Vehicle Arbitration Account--State Appropriation .................. $1,180,000
Legal Services Revolving Account--State Appropriation .................. $164,809,000
Tobacco Prevention and Control Account--State Appropriation .................. $270,000
TOTAL APPROPRIATION .................. $179,234,000

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

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

(2) Prior to entering into any negotiated settlement of a claim against the state, that exceeds five million dollars, the attorney general shall notify the director of financial management and the chairs of the senate committee on ways and means and the house of representatives committee on appropriations.
NEW SECTION.  Sec. 125. FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2004) ................ $639,000
General Fund--State Appropriation (FY 2005) ................ $640,000
TOTAL APPROPRIATION ................................. $1,279,000

NEW SECTION.  Sec. 126. FOR THE DEPARTMENT OF COMMUNITY, TRADE,
AND ECONOMIC DEVELOPMENT

General Fund--State Appropriation (FY 2004) ................ $58,827,000
General Fund--State Appropriation (FY 2005) ................ $58,175,000
General Fund--Federal Appropriation ....................... $194,218,000
General Fund--Private/Local Appropriation ................ $10,598,000
Public Safety and Education Account--State
  Appropriation ................................................. $10,103,000
Public Works Assistance Account--State Appropriation .... $1,929,000
Building Code Council Account--State Appropriation .... $1,065,000
Administrative Contingency Account--State Appropriation .. $1,774,000
Low-Income Weatherization Assistance Account--State
  Appropriation ................................................. $3,293,000
Violence Reduction and Drug Enforcement Account--State
  Appropriation ................................................. $8,335,000
Manufactured Home Installation Training Account--State
  Appropriation ................................................. $258,000
Community and Economic Development Fee Account--State
  Appropriation ................................................. $1,909,000
Washington Housing Trust Account--State Appropriation .. $16,770,000
Public Facility Construction Loan Revolving
  Account--State Appropriation ......................... $626,000
TOTAL APPROPRIATION ................................. $367,880,000

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

(1) $2,838,000 of the general fund--state appropriation for fiscal
year 2004 and $2,838,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for a contract with the Washington
technology center. For work essential to the mission of the Washington
technology center and conducted in partnership with universities, the
center shall not pay any increased indirect rate nor increases in other
indirect charges above the absolute amount paid during the 1995-97
fiscal biennium.
(2) $61,000 of the general fund—state appropriation for fiscal year 2004 and $62,000 of the general fund—state appropriation for fiscal year 2005 are provided solely for the implementation of the Puget Sound work plan and agency action item OCD-01.

(3) $10,180,797 of the general fund—federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in state fiscal year 2004 as follows:
   (a) $3,551,972 to local units of government to continue multijurisdictional narcotics task forces;
   (b) $611,177 to the department to continue the drug prosecution assistance program in support of multijurisdictional narcotics task forces;
   (c) $1,343,603 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;
   (d) $197,154 to the department for grants to support tribal law enforcement needs;
   (e) $976,897 to the department of social and health services, division of alcohol and substance abuse, for drug courts in eastern and western Washington;
   (f) $298,246 to the department for training and technical assistance of public defenders representing clients with special needs;
   (g) $687,155 to the department to continue domestic violence legal advocacy;
   (h) $890,150 to the department of social and health services, juvenile rehabilitation administration, to continue youth violence prevention and intervention projects;
   (i) $89,705 to the department to continue the governor's council on substance abuse;
   (j) $97,591 to the department to continue evaluation of Byrne formula grant programs;
   (k) $572,919 to the office of financial management for criminal history records improvement;
   (l) $864,228 to the department for required grant administration, monitoring, and reporting on Byrne formula grant programs.

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

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

(5) Up to $300,000 of the Washington housing trust account appropriation shall be used to study the impacts of publicly funded housing projects on local services such as, but not limited to, fire and police services.

(6) $697,000 of the community economic development account appropriation is provided solely for support of the developmental disabilities endowment governing board and costs of the endowment program. The governing board may use appropriations to implement a sliding-scale fee waiver for families earning below 150 percent of the state median family income.

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

(8) $4,609,000 of the public safety and education account and $2,824,000 of the violence reduction and drug Enforcement account are provided solely for civil indigent legal services.

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

(10) $150,000 of the general fund--state appropriation for fiscal year 2004 and $150,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for a contract with the Washington manufacturing services.

(11) $400,000 of the general fund--state appropriation for fiscal year 2004 and $400,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the foreign offices (overseas representatives) to expand local capacity for China, expand operations in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington exporters in expanding their sales opportunities.

(12) $300,000 of the general fund--state appropriation for fiscal year 2004 and $300,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the business retention and expansion program to fund contracts with locally based development organizations for local business and job retention activities.

(13) $200,000 of the general fund--state appropriation for fiscal year 2004 and $200,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the tourism office to market Washington state as a travel destination to northwest states, California, and British Columbia. By December 1, 2004, the department shall report to the relevant legislative policy and fiscal committees on the effectiveness of these expenditures.

(14) $200,000 of the general fund--state appropriation for fiscal year 2004 and $200,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for business development activities to conduct statewide and/or regional business recruitment and client lead generation services.
NEW SECTION.  Sec. 127. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund--State Appropriation (FY 2004) . . . . . . . $518,000
General Fund--State Appropriation (FY 2005) . . . . . . . $519,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . $1,037,000

NEW SECTION.  Sec. 128. FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2004) . . . . . . . $13,736,000
General Fund--State Appropriation (FY 2005) . . . . . . . $13,454,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $23,492,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . $230,000
State Auditing Services Revolving Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $25,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . $50,937,000

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

(1) $607,000 of the general fund--state appropriation for fiscal year 2004 and $599,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Substitute Senate Bill No. 5909 (governmental accountability). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(2) $50,000 of the general fund--state appropriation for fiscal year 2004 and $50,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement a pilot project to develop an integrated environmental permit system pursuant to Substitute Senate Bill No. 5909. If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

NEW SECTION.  Sec. 129. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $24,561,000

NEW SECTION.  Sec. 130. FOR THE DEPARTMENT OF PERSONNEL

Department of Personnel Service Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $15,988,000
Higher Education Personnel Services Account--State
The appropriations in this section are subject to the following conditions and limitations: The department is authorized to enter into a financing contract for up to $30,700,000, plus necessary financing expenses and required reserves, pursuant to chapter 39.94 RCW. The contract shall be to purchase, develop, and operationalize a new statewide payroll system and shall be for a term of not more than twelve years. The legislature recognizes the critical nature of the human resource management system and its relationship to successful implementation of civil service reform, collective bargaining, and the ability to permit contracting out of services to the private sector. Projects of this size and complexity have many risks associated with their successful and timely completion, therefore, to help ensure project success, the department of personnel and the office of financial management shall jointly report to the legislature by January 15, 2004, on progress toward implementing the human resource management system. The report shall include a description of mitigation strategies employed to address the risks related to: Business requirements not fully defined at the project outset; short time frame for system implementation; and delays experienced by other states. The report shall assess the probability of meeting the system implementation schedule and recommend contingency strategies as needed. The report shall establish the timelines, the critical path, and the dependencies for realizing each of the benefits articulated in the system feasibility study.

NEW SECTION. Sec. 131. FOR THE WASHINGTON STATE LOTTERY
Lottery Administrative Account--State Appropriation . . . $22,492,000

NEW SECTION. Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . $201,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . $201,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $402,000

NEW SECTION. Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . $196,000
NEW SECTION.  Sec. 134. FOR THE PERSONNEL APPEALS BOARD
Department of Personnel Service Account--State
   Appropriation ......................... $1,729,000

NEW SECTION.  Sec. 135. FOR THE STATE INVESTMENT BOARD
General Fund--State Appropriation (FY 2004) ............... $100,000
State Investment Board Expense Account--State
   Appropriation ......................... $12,396,000
   TOTAL APPROPRIATION ................ $12,496,000

The appropriation in this section is subject to the following conditions and limitations: $100,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for a contract with a real estate investment consultant to prepare options and a recommended strategy for the disposal of surplus property that results from the closure of Fircrest School. The report shall be submitted to the appropriate committees of the legislature by December 1, 2003. In developing the recommended strategy, the contractor shall consult with representatives of the city of Shoreline and shall identify the disposal strategy that is estimated to produce the greatest long-term investment return on the property.

NEW SECTION.  Sec. 136. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS
Dependent Care Administrative Account--State
   Appropriation ......................... $389,000
Department of Retirement Systems Expense
   Account--State Appropriation ............. $42,532,000
   TOTAL APPROPRIATION ................ $42,921,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $2,083,000 of the retirement systems expense account appropriation is provided solely for the support of the information systems project known as the electronic document image management system.
(2) $124,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Substitute Senate Bill No. 5094 (substitute teachers' retirement credit). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(3) $77,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Senate Bill No. 5100 (fallen hero survivor benefits). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(4) $21,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1206 (plan 3 contributions). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(5) $30,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1207 (employee death benefits). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(6) $320,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Substitute House Bill No. 1829 (retire-rehire reform). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

(7) $125,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Substitute House Bill No. 1202 (emergency medical technicians' retirement). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 137. FOR THE DEPARTMENT OF REVENUE

| General Fund--State Appropriation (FY 2004) | $78,698,000 |
| General Fund--State Appropriation (FY 2005) | $78,270,000 |
| Timber Tax Distribution Account--State Appropriation | $5,144,000 |
| Waste Reduction/Recycling/Litter Control--State Appropriation | $101,000 |
| State Toxics Control Account--State Appropriation | $67,000 |
| Oil Spill Prevention Account--State Appropriation | $14,000 |
| TOTAL APPROPRIATION | $162,294,000 |
The appropriations in this section are subject to the following conditions and limitations:

1. $145,000 of the general fund--state appropriation for fiscal year 2004 and $118,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Senate Bill No. 5034 (property tax relief for senior citizens due to disability). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

2. $93,000 of the general fund--state appropriation for fiscal year 2004 and $210,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Senate Bill No. 5783 (implementation of the streamlined sales tax agreement). If the bill is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

NEW SECTION.  Sec. 138. FOR THE BOARD OF TAX APPEALS
General Fund--State Appropriation (FY 2004) . . . . . . . $1,135,000
General Fund--State Appropriation (FY 2005) . . . . . . . $981,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . $2,116,000

NEW SECTION. Sec. 139. FOR THE MUNICIPAL RESEARCH COUNCIL
County Research Services Account--State Appropriation . . . $769,000
City and Town Research Services--State Appropriation . . . $3,852,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . $4,621,000

NEW SECTION. Sec. 140. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES
OMWBE Enterprises Account--State . . . . . . . . . . . $2,534,000

NEW SECTION. Sec. 141. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION
General Fund--State Appropriation (FY 2004) . . . . . . . $263,000
General Fund--State Appropriation (FY 2005) . . . . . . . $265,000
General Fund--Federal Appropriation . . . . . . . . . . . $3,217,000
General Administration Service Account--State Appropriation . . . $38,328,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . $42,073,000

Code Rev/LL:mos 22 S-2784.2/03 2nd draft
The appropriations in this section are subject to the following conditions and limitations: Beginning on the effective date of this act, the department of general administration shall not purchase or lease any additional automobiles for the state motor pool unless the director of general administration determines that the purchase or lease is necessary for the safety of state personnel.

NEW SECTION. Sec. 142. FOR THE DEPARTMENT OF INFORMATION SERVICES
Data Processing Revolving Account--State Appropriation... $3,587,000

NEW SECTION. Sec. 143. FOR THE INSURANCE COMMISSIONER
General Fund--Federal Appropriation... ... $635,000
Insurance Commissioners Regulatory Account--State Appropriation... $31,148,000
TOTAL APPROPRIATION... ... ... $31,783,000

NEW SECTION. Sec. 144. FOR THE BOARD OF ACCOUNTANCY
Certified Public Accountants' Account--State Appropriation... $1,634,000

NEW SECTION. Sec. 145. FOR THE FORENSIC INVESTIGATION COUNCIL
Death Investigations Account--State Appropriation... $274,000

The appropriation in this section is subject to the following conditions and limitations: $250,000 of the death investigation account appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an unanticipated, extraordinary, and catastrophic event or those involving multiple jurisdictions.

NEW SECTION. Sec. 146. FOR THE HORSE RACING COMMISSION
Horse Racing Commission Account--State Appropriation... $4,621,000

NEW SECTION. Sec. 147. FOR THE LIQUOR CONTROL BOARD
General Fund--State Appropriation (FY 2004)... $1,481,000
General Fund--State Appropriation (FY 2005)... $1,482,000
Liquor Control Board Construction and Maintenance

Account--State Appropriation . . . . . . . . . . . . $5,717,000
Liquor Revolving Account--State Appropriation . . . . . . $131,047,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . $139,727,000

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

(1) $2,000,000 of the liquor revolving account appropriation is provided solely for the costs associated with the completion of the merchandising business system. Actual expenditures are limited to the balance of funds remaining from the $4,803,000 appropriation provided for the merchandise business system in the 2001-03 budget.

(2) $1,309,000 of the liquor revolving account appropriation is provided solely for the costs associated with purchasing merchandise business system software and hardware-related items, and hiring system-related staff.

(3) No moneys under this appropriation shall be spent for authorizing or adopting an alcohol impact area under chapter 314-12 WAC or any additional modifications to an existing alcohol impact area under chapter 314-12 WAC until an existing study of a current alcohol impact area is completed by the board or by April 1, 2004, whichever is later.

NEW SECTION. Sec. 148. FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Account--State Appropriation . . $25,835,000
Pipeline Safety Account--State Appropriation . . . . . . $2,774,000
Pipeline Safety Account--Federal Appropriation . . . . . . $1,049,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $29,658,000

The appropriations in this section are subject to the following conditions and limitations: Consistent with the purposes of RCW 80.01.080, the commission may accept reimbursement for travel by its employees to participate in multi-state regulatory matters.

NEW SECTION. Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers' Administrative Account--State Appropriation . . . . . . . . . . . . . . $699,000
NEW SECTION. Sec. 150. FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2004) ................ $8,493,000
General Fund--State Appropriation (FY 2005) ................ $8,230,000
General Fund--Federal Appropriation ......................... $81,967,000
General Fund--Private/Local Appropriation ................... $365,000
Enhanced 911 Account--State Appropriation .................. $33,941,000
Disaster Response Account--State Appropriation ............. $6,424,000
Worker and Community Right-to-Know Account--State
   Appropriation .............................................. $287,000
Nisqually Earthquake Account--State Appropriation ....... $13,083,000
Nisqually Earthquake Account--Federal Appropriation ...... $48,699,000
TOTAL APPROPRIATION ....................................... $201,489,000

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

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

(2) $10,083,000 of the Nisqually earthquake account--state appropriation and $48,699,000 of the Nisqually earthquake account--federal appropriation are provided solely for response and recovery costs associated with the February 28, 2001, earthquake. The military department shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing earthquake recovery costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual expenditures; (d) estimates of total remaining costs to be paid; and (e) estimates of future payments by biennium. This information shall be displayed by fund, by type of assistance, and by amount paid on behalf of state agencies or local organizations. The military department shall also submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the Nisqually earthquake account, including: (a) The
amount and type of deposits into the account; (b) the current available
fund balance as of the reporting date; and (c) the projected fund
balance at the end of the 2003-05 biennium based on current revenue and
expenditure patterns.

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

(4) $200,000 of the general fund--state appropriation for fiscal
year 2004 and $53,555,000 of the general fund--federal appropriation
are provided solely for homeland security, to be distributed as
follows:

(a) $9,469,000 of the general fund--federal appropriation to units
of local government for homeland security purposes. Any communications
equipment purchased shall be consistent with standards set by the
Washington state interoperability executive committee;
(b) $200,000 of the general fund--state appropriation for fiscal
year 2004 and $200,000 of the general fund--federal appropriation to
the department to conduct the terrorism consequence management program;
(c) $100,000 of the general fund--federal appropriation to the
department to conduct a critical infrastructure assessment;
(d) $500,000 of the general fund--federal appropriation to the
office of financial management for the citizen corps and the community
emergency response teams;
(e) $1,384,000 of the general fund--federal appropriation to the
department to provide homeland security exercise and training
opportunities to state and local governments, and to develop, monitor,
coordinate, and manage statewide homeland security programs, including
required grant administration, monitoring, and reporting;
(f) $39,917,000 of the general fund--federal appropriation for
other anticipated homeland security needs. This amount shall not be
allotted until a spending plan is approved by the governor's domestic
security advisory group and the office of financial management;
(g) The remaining general fund--federal appropriation may be
expended according to federal requirements;
(h) Federal moneys shall be carried forward and applied to the pool
of moneys available for appropriation for programs and projects in the
succeeding fiscal year. Funding is contingent upon receipt of federal
awards. As part of its budget request in each year, the department
shall estimate and request authority to spend any federal funds
remaining available as a result of this subsection;
(i) The department shall submit a quarterly report to the office of
financial management and the legislative fiscal committees detailing
the governor's domestic security advisory group recommendations;
homeland security revenues and expenditures, including estimates of
total federal funding for Washington state; incremental changes from
the previous estimate, planned and actual homeland security
expenditures by the state and local governments with this federal
funding; and matching or accompanying state or local expenditures.

NEW SECTION. Sec. 151. FOR THE PUBLIC EMPLOYMENT RELATIONS
COMMISSION
General Fund--State Appropriation (FY 2004) .................. $2,381,000
General Fund--State Appropriation (FY 2005) .................. $2,455,000
Department of Personnel Service Account--State
  Appropriation ................................................. $2,545,000
  TOTAL APPROPRIATION ................................. $7,381,000
The appropriations in this section are subject to the following
conditions and limitations: $40,000 of the general fund--state
appropriation for fiscal year 2005 is provided solely for the
implementation of Second Substitute Senate Bill No. 5012 (charter
schools). If the bill is not enacted by June 30, 2003, the amount
provided in this subsection shall lapse.

NEW SECTION. Sec. 152. FOR THE STATE CONVENTION AND TRADE CENTER
State Convention and Trade Center Account--State
  Appropriation ................................................. $31,037,000
State Convention and Trade Center Operating Account--
1 State Appropriation .................. $40,581,000
2 TOTAL APPROPRIATION ............... $71,618,000

(End of part)
NEW SECTION. Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES. (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose, except as expressly provided in subsection (3) of this section.

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

(3) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act.

NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM
General Fund--State Appropriation (FY 2004) . . . . . . . $228,855,000
General Fund--State Appropriation (FY 2005) . . . . . . . $232,167,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . $413,940,000
General Fund--Private/Local Appropriation ............. $400,000
Public Safety and Education Account--State Appropriation . $23,920,000
Violence Reduction and Drug Enforcement Account--State
  Appropriation ........................................ $5,358,000
TOTAL APPROPRIATION ................................ $904,640,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) $2,271,000 of the fiscal year 2004 general fund--state
  appropriation, $2,271,000 of the fiscal year 2005 general fund--state
  appropriation, and $1,584,000 of the general fund--federal
  appropriation are provided solely for the category of services titled
  "intensive family preservation services."
(2) $701,000 of the general fund--state fiscal year 2004
  appropriation and $701,000 of the general fund--state fiscal year 2005
  appropriation are provided to contract for the operation of one
  pediatric interim care facility. The facility shall provide
  residential care for up to thirteen children through two years of age.
  Seventy-five percent of the children served by the facility must be in
  need of special care as a result of substance abuse by their mothers.
  The facility shall also provide on-site training to biological,
  adoptive, or foster parents. The facility shall provide at least three
  months of consultation and support to parents accepting placement of
  children from the facility. The facility may recruit new and current
  foster and adoptive parents for infants served by the facility. The
  department shall not require case management as a condition of the
  contract.
(3) $375,000 of the general fund--state fiscal year 2004
  appropriation, $375,000 of the general fund--state fiscal year 2005
  appropriation, and $322,000 of the general fund--federal appropriation
  are provided for up to three nonfacility-based programs for the
  training, consultation, support, and recruitment of biological, foster,
  and adoptive parents of children through age three in need of special
  care as a result of substance abuse by their mothers, except that each
  program may serve up to three medically fragile nonsubstance-abuse-
  affected children. In selecting nonfacility-based programs, preference
  shall be given to programs whose federal or private funding sources
  have expired or that have successfully performed under the existing
  pediatric interim care program.
(4) Within funding provided for the foster care and adoption support programs, the department shall control reimbursement decisions for foster care and adoption support cases such that the aggregate average cost per case for foster care and for adoption support does not exceed the amounts assumed in the projected caseload expenditures. The department shall adjust adoption support benefits to account for the availability of the new federal adoption support tax credit for special needs children.

(5) $50,000 of the fiscal year 2004 general fund--state appropriation and $50,000 of the fiscal year 2005 general fund--state appropriation are provided solely for a street youth program in Spokane.

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2004) .................. $74,282,000
General Fund--State Appropriation (FY 2005) .................. $72,773,000
General Fund--Federal Appropriation ......................... $12,207,000
General Fund--Private/Local Appropriation ................. $1,098,000
Violence Reduction and Drug Enforcement Account--State
  Appropriation ........................................... $35,471,000
Juvenile Accountability Incentive Account--Federal
  Appropriation ........................................... $8,921,000
  TOTAL APPROPRIATION ................................. $204,752,000

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

(1) $711,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) $6,051,000 of the violence reduction and drug enforcement account appropriation is provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county
impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) $1,201,000 of the general fund--state appropriation for fiscal year 2004, $1,201,000 of the general fund--state appropriation for fiscal year 2005, and $5,264,000 of the violence reduction and drug enforcement account appropriation are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) $2,557,000 of the violence reduction and drug enforcement account appropriation is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(5) $100,000 of the general fund--state appropriation for fiscal year 2004 and $100,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for juvenile rehabilitation administration to contract with the institute for public policy for responsibilities assigned in chapter 338, Laws of 1997 (juvenile code revisions).

(6) $100,000 of the general fund--state appropriation for fiscal year 2004 and $100,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for a contract for expanded services of the teamchild project.

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

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

(9) The juvenile rehabilitation administration, in consultation with the juvenile court administrators, may agree on a formula to allow the transfer of funds among amounts appropriated for consolidated juvenile services, community juvenile accountability act grants, the chemically dependent disposition alternative, and the special sex offender disposition alternative. The juvenile rehabilitation administration shall report to the legislature on the formula used and the transferred funding amounts, on a semiannual basis, by county.

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

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

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

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

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

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

(11) $1,416,000 of the general fund--state appropriation for fiscal
year 2004 and $1,417,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for additional research-based
services to the juvenile parole population, including quality control
efforts to ensure appropriate implementation of research-based
services. The juvenile rehabilitation administration shall consult
with the institute for public policy in deciding which interventions to
provide to the parole population and appropriate levels of quality
control. Of the total general fund--state appropriation for fiscal
year 2004, up to $55,000 may be used for additional suicide precaution
training for staff.

(12) $2,853,000 of the general fund--state appropriation for fiscal
year 2004 and $3,907,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for reimbursement to counties for
local juvenile disposition alternatives implemented in Senate Bill No.
5903 (juvenile offender sentencing). The juvenile rehabilitation
administration shall adjust this funding level in the event that
utilization rates of the disposition alternatives are lower than the
level anticipated by the total appropriations to the juvenile
rehabilitation administration. To the extent that youth in community
commitment placement are placed in alternatives to secure detention and
become eligible for state-funded chemical dependency treatment, the
juvenile rehabilitation administration shall reduce daily rates paid to
counties for this disposition alternative to a level consistent with
actual costs of the community placement and offset the cost of state-
funded chemical dependency treatment.

NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
SERVICES--MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS
General Fund--State Appropriation (FY 2004) ......... $206,202,000
General Fund--State Appropriation (FY 2005) ......... $210,961,000
General Fund--Federal Appropriation ............... $365,335,000
General Fund--Local Appropriation ................. $1,970,000
Health Services Account--State Appropriation ........ $2,450,000

TOTAL APPROPRIATION ......................... $786,918,000

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

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

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

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

(d) The health services account appropriation is provided solely for implementation of strategies which the department and the affected regional support networks conclude will best assure continued availability of community-based inpatient psychiatric services in all areas of the state. Such strategies may include, but are not limited
to, emergency contracts for continued operation of inpatient facilities
otherwise at risk of closure because of demonstrated uncompensated
care; start-up grants for development of evaluation and treatment
facilities; and increases in the rate paid for inpatient psychiatric
services for medically indigent and/or general assistance for the
unemployed patients. The funds provided in this subsection must be:
(i) Prioritized for use in those areas of the state which are at
greatest risk of lacking sufficient inpatient psychiatric treatment
capacity, rather than being distributed on a formula basis; (ii)
prioritized for use by those hospitals that do not receive low-income
disproportionate share hospital payments as of the date of application
for funding; and (iii) matched on a one-quarter local and three-
quarters state basis by funding from the regional support network or
networks in the area in which the funds are expended. Payments from
the amount provided in this subsection shall not be made to any
provider that has not agreed that, except for prospective rate
increases, the payment shall offset, on a dollar-for-dollar basis, any
liability that may be established against, or any settlement that may
be agreed to by the state, regarding the rate of state reimbursement
for inpatient psychiatric care. The funds provided in this subsection
shall not be considered "available resources" as defined in RCW
71.24.025 and are not subject to the distribution formula established
pursuant to RCW 71.24.035.

(2) INSTITUTIONAL SERVICES
General Fund--State Appropriation (FY 2004) ............ $92,626,000
General Fund--State Appropriation (FY 2005) ............ $91,404,000
General Fund--Federal Appropriation ................. $134,274,000
General Fund--Private/Local Appropriation ............ $26,342,000
TOTAL APPROPRIATION .......................... $344,646,000

The appropriations in this subsection are subject to the following
conditions and limitations:
(a) The state mental hospitals may use funds appropriated in this
subsection to purchase goods and supplies through hospital group
purchasing organizations when it is cost-effective to do so.
(b) The mental health program at Western state hospital shall
continue to use labor provided by the Tacoma prerelease program of the
department of corrections.

(3) CIVIL COMMITMENT
General Fund--State Appropriation (FY 2004) . . . . . . . . . $28,770,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . $32,178,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $60,948,000

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

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

(b) $300,000 of the general fund--state appropriation for fiscal year 2004 and $300,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for mitigation funding for jurisdictions affected by the placement of less restrictive alternative facilities on McNeil Island for persons conditionally released from the special commitment center facility. Of this amount, up to $45,000 per year is provided for the city of Lakewood for police protection reimbursement at Western State Hospital and adjacent areas, up to $45,000 per year is provided for training police personnel on chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to $125,000 per year is provided for Pierce county for reimbursement of additional costs, and the remaining amounts are for other documented costs by jurisdictions directly impacted by the placement of the secure community transition facility on McNeil Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), the department shall continue to work with local jurisdictions towards reaching agreement for mitigation costs.

(c) $1,065,000 of the general fund--state appropriation for fiscal year 2004 and $111,000 of the general fund--state appropriation for fiscal year 2004 are provided solely for the purchase of a vessel to provide transportation to McNeil Island, consistent with increased staffing.

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

(4) SPECIAL PROJECTS
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . $2,082,000

(5) PROGRAM SUPPORT
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . $2,729,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . $2,637,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . $4,759,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $10,125,000

NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . $271,224,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . $265,628,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . $435,844,000
Health Services Account--State Appropriation . . . . . . . . . . . . $1,038,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $973,734,000

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

(a) The health services account appropriation and $1,038,000 of the
general fund--federal appropriation are provided solely for health care
benefits for home care workers with family incomes below 200 percent of
the federal poverty level who are employed through state contracts for
twenty hours per week or more. Premium payments for individual
provider home care workers shall be made only to the subsidized basic
health plan. Home care agencies may obtain coverage either through the
basic health plan or through an alternative plan with substantially
equivalent benefits.

(b) The department shall work with representatives of community
residential service providers and representatives of persons served in
community residential programs to identify current rules and policies
that are redundant and/or are not helpful to positive client outcomes.
The department shall modify or repeal the rules and policies identified
and report the results to the appropriate committees of the legislature
by July 1, 2004.
(c) $10,000,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for one-time expenditures needed to meet the federally required level for state supplemental payments (SSP). The department may transfer a portion of this amount to other programs within the agency to accomplish this purpose.

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2004) $71,782,000
General Fund--State Appropriation (FY 2005) $63,380,000
General Fund--Federal Appropriation $137,296,000
General Fund--Private/Local Appropriation $11,228,000
TOTAL APPROPRIATION $283,686,000

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

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2004) $2,201,000
General Fund--State Appropriation (FY 2005) $2,200,000
General Fund--Federal Appropriation $2,898,000
Telecommunications Devices for the Hearing and Speech Impaired Account Appropriation $1,782,000
TOTAL APPROPRIATION $9,081,000

The appropriations in this subsection are subject to the following conditions and limitations: The department shall submit a report to the fiscal committees of the legislature by December 1, 2003, describing progress in consolidating program administrative functions within the aging and disabilities administration to ensure that the overspending of the appropriations for program support in the developmental disabilities program in prior fiscal periods does not continue.

(4) SPECIAL PROJECTS
NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT SERVICES PROGRAM

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

(1) The entire health services account appropriation, $1,476,000 of the general fund--state appropriation for fiscal year 2004, $1,476,000 of the general fund--state appropriation for fiscal year 2005, and $7,284,000 of the general fund--federal appropriation are provided solely for health care benefits for home care workers who are employed through state contracts for at least twenty hours per week. Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan, and only for persons with incomes below 175 percent of the federal poverty level. Home care agencies may obtain coverage either through the basic health plan or through an alternative plan with substantially equivalent benefits.

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

(3) In accordance with chapter 74.46 RCW, the department shall issue certificates of capital authorization that result in up to $32 million of increased asset value completed and ready for occupancy in fiscal year 2004; in up to $32 million of increased asset value completed and ready for occupancy in fiscal year 2005; and in up to $32 million of increased asset value completed and ready for occupancy in fiscal year 2006.
(4) Adult day health services shall not be considered a duplication of services for persons receiving care in long-term care settings licensed under chapter 18.20, 72.36, or 70.128 RCW.

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

(a) The waiver program shall include coverage of care in community residential facilities. Enrollment in the waiver program shall not exceed 600 persons by the end of fiscal year 2004, nor 600 persons by the end of fiscal year 2005.

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

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

(6) $50,000 of the general fund--state appropriation for fiscal year 2004 and $50,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for payments to any nursing facility licensed under chapter 18.51 RCW that meets all of the following criteria: (a) The nursing home entered into an arm's length agreement for a facility lease prior to January 1, 1980; (b) the lessee purchased the leased nursing home after January 1, 1980; and (c) the lessor defaulted on its loan or mortgage for the assets of the home after January 1, 1991, and prior to January 1, 1992. Payments provided pursuant to this subsection shall not be subject to the settlement, audit, or rate-setting requirements contained in chapter 74.46 RCW.

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

(8) $163,000 of the general fund--state appropriation for fiscal year 2004 and $162,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for implementation of Substitute Senate Bill No. 5904 (senior drug assistance). If Substitute Senate Bill No. 5904 is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(9) $6,736,000 of the general fund--state appropriation for fiscal year 2004, $7,563,000 of the general fund--state appropriation for fiscal year 2005, and $13,171,000 of the general fund--federal appropriation are provided solely for direct client services under the adult day health program. The department shall not use any of the funds appropriated in this subsection to employ staff or contractors to conduct eligibility determination or service plan development for current or prospective recipients of adult day health services.

NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM

General Fund--State Appropriation (FY 2004) ............ $403,182,000
General Fund--State Appropriation (FY 2005) ............ $395,401,000
General Fund--Federal Appropriation ..................... $1,373,091,000
General Fund--Private/Local Appropriation ............... $36,704,000

TOTAL APPROPRIATION .................................. $2,208,378,000

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

(1) Within funds provided for the WorkFirst program, the department shall:

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

(b) Submit a report by October 1, 2003, to the fiscal committees of the legislature containing a spending plan for the WorkFirst program. The plan shall identify how spending levels in the 2003-2005 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels. The office of financial management
shall place an amount of the general fund--federal appropriation in unallotted status in order to align the appropriations for WorkFirst to the submitted spending plan.

(2) $42,759,120 of the general fund--state appropriation for fiscal year 2004 and $35,650,261 of the general fund--state appropriation for fiscal year 2005 are provided solely for cash assistance and other services to recipients in the general assistance--unemployable program. Within these amounts, the department may expend funds for services that assist recipients to reduce their dependence on public assistance, provided that expenditures for these services and cash assistance do not exceed the funds provided.

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

(4) $13,852,000 of the general fund--federal appropriation is provided solely for increased reimbursement of county legal-clerk services for child support enforcement. The department shall ensure this increase in cost does not reduce federal incentive payments.

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

NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund--State Appropriation (FY 2004) ................... $37,398,000
General Fund--State Appropriation (FY 2005) ................... $37,385,000
General Fund--Federal Appropriation ............................ $90,655,000
General Fund--Private/Local Appropriation ..................... $630,000
Public Safety and Education Account--State
  Appropriation .................................................. $10,860,000
Criminal Justice Treatment Account--State Appropriation . . $8,950,000
Violence Reduction and Drug Enforcement Account--State
The appropriations in this section are subject to the following conditions and limitations: $1,500,000 of the general fund--state appropriation for fiscal year 2004 and $1,500,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for expansion of treatment services in the alcoholism and drug addiction treatment support act (ADATSA) program. If Second Substitute Senate Bill No. 6017 is not enacted by June 30, 2003, the amount provided shall lapse.

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2004) ........ $1,176,552,000
General Fund--State Appropriation (FY 2005) ........ $1,256,131,000
General Fund--Federal Appropriation ................. $3,667,894,000
General Fund--Private/Local Appropriation .......... $272,040,000
Health Services Account--State Appropriation ....... $698,228,000
TOTAL APPROPRIATION .............................. $7,070,845,000

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

(1) In accordance with RCW 74.46.625, $52,057,000 of the fiscal year 2004 health services account appropriation, $35,016,000 of the fiscal year 2005 health services account appropriation, and $87,074,000 of the general fund--federal appropriation are provided solely for supplemental payments to nursing homes operated by rural public hospital districts. The payments shall be conditioned upon (a) a contractual commitment by the association of public hospital districts and participating rural public hospital districts to make an intergovernmental transfer to the state treasurer, for deposit into the health services account, equal to at least 98 percent of the supplemental payments; and (b) a contractual commitment by the participating districts to not allow expenditures covered by the supplemental payments to be used for medicaid nursing home rate-setting. The participating districts shall retain no more than a total of $3,500,000 for the 2003-05 biennium.

(2) $14,616,000 of the health services account appropriation for fiscal year 2004, $12,394,000 of the health services account...
appropriation for fiscal year 2005, and $27,010,000 of the general fund--federal appropriation are provided solely for additional disproportionate share and medicare upper payment limit payments to public hospital districts.

The payments shall be conditioned upon a contractual commitment by the participating public hospital districts to make an intergovernmental transfer to the health services account equal to at least 91 percent of the additional payments. The state's teaching hospitals shall retain at least 28 percent of the amounts retained by hospitals under these programs, or the maximum allowable under the state teaching hospitals' limits as set under federal rules, whichever is less.

(3) For purposes of RCW 74.09.510(6) and 74.09.450, no funds are appropriated in this section for medical coverage of children not otherwise eligible for medical assistance whose family incomes are in excess of 175 percent of the federal poverty level.

(4) For purposes of RCW 74.09.800, no funds are appropriated in this section to provide maternity care services to low-income women who are not eligible to receive such services under the medical assistance program, Title XIX of the federal social security act.

(5) No funds are appropriated in this section for continued operation of the buy-in program authorized in RCW 74.09.510(7) and 74.09.540.

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

(7) Sufficient funds are appropriated in this section for the department to provide an adult dental benefit equivalent to approximately 70 percent of the dental benefit provided during the 2001-03 biennium. The department shall establish the scope of services to be provided within the available funds in consultation with dental providers and consumer representatives.

(8) $3,100,000 of the health services account appropriation, $8,416,000 of the general fund--local appropriation, and $11,516,000 of the general fund--federal appropriation are provided solely for grants to rural hospitals. The department shall distribute the funds under a formula that provides a relatively larger share of the available
funding to hospitals that (a) serve a disproportionate share of low-income and medically indigent patients, and (b) have relatively smaller net financial margins.

(9) $20,000,000 of the health services account appropriation and $20,000,000 of the general fund--federal appropriation are provided solely for grants to nonrural hospitals. The department shall distribute the funds under a formula that provides a relatively larger share of the available funding to hospitals that (a) serve a disproportionate share of low-income and medically indigent patients, and (b) have relatively smaller net financial margins.

(10) No funds appropriated in this section shall be used to provide a standard, across-the-board rate increase to all managed care contractors. The department shall establish managed care rates within available funds, giving specific consideration to each plan's programmatic and financial performance, and ability to assure access in underserved areas.

(11) The department shall separately track the total amount of any rebates obtained from drug manufacturers that are supplemental to the amounts required by federal law.

(12) $156,000 of the general fund--state appropriation for fiscal year 2004 and $1,403,000 of the general fund--federal appropriation are provided solely for a study to assess alternatives for replacing the existing medicaid management information system. The department shall report to the information services board and to the fiscal committees of the legislature by December 1, 2003, on the anticipated costs and benefits of the major alternative approaches. The department shall receive specific authorization in the 2003-05 appropriations act before proceeding with procurement of the replacement system.

(13) The department of social and health services, the office of the superintendent of public instruction, and the department of health should jointly identify opportunities for early intervention and prevention activities that can help prevent disease and reduce oral health issues among children. Disease prevention among infants at the age of one year and among children entering the K-12 education system provides cost-effective ways to avoid higher health care spending later in life.
NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $10,151,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $10,121,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . $84,705,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . $440,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $105,417,000

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $29,818,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $27,761,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . $58,385,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . $810,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $116,774,000

The appropriations in this section are subject to the following conditions and limitations: $1,962,000 of the general fund--state appropriation for fiscal year 2004, $1,963,000 of the general fund--state appropriation for 2005, and $3,925,000 of the general fund--federal appropriation are provided solely for transition costs associated with the closure of Fircrest school as directed by Engrossed Senate Bill No. 5971. To minimize the disruption to the ongoing work plan of the developmental disabilities program, the department shall organize the Fircrest school closure and resident transition effort to report to an organizational unit outside the division of developmental disabilities. Within the funds provided in this subsection, the department shall:

(a) Contract with a cost report expert to determine appropriate ways to maximize federal reimbursement during the closure of the facility;

(b) Negotiate with representatives of employees affected by the closure to determine how to assist employees who need help to relocate to other state jobs, to transition to private sector positions, to retire early, or to cover the costs of unemployment benefits.

(c) Keep the appropriate committees of the legislature informed of the development of and revisions to a work plan to close the facility through regular written reports, periodic e-mail updates to committee
members and staff, and/or through other means that keep the committees up-to-date on the progress of the closure.

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund--State Appropriation (FY 2004) . . . . . . . . . $43,882,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . $43,882,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . $43,674,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . $131,438,000

NEW SECTION. Sec. 213. FOR THE STATE HEALTH CARE AUTHORITY

General Fund--Federal Appropriation . . . . . . . . . . . . . . . $3,358,000
State Health Care Authority Administrative Account--
State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . $17,499,000
Medical Aid Account--State Appropriation . . . . . . . . . . . $128,000
Health Services Account--State Appropriation . . . . . . . . . $415,656,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $436,641,000

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

(1) Within funds appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy option for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents and home care workers with family incomes at or below 175 percent of the federal poverty level shall be allowed to enroll in the basic health plan at a cost of twelve dollars and fifty cents per covered worker per month.

(2) The health care authority shall require organizations and individuals which are paid to deliver basic health plan services and which choose to sponsor enrollment in the subsidized basic health plan to pay the following: (i) A minimum of twenty-five dollars per enrollee per month for persons below 100 percent of the federal poverty level; and (ii) a minimum of thirty dollars per enrollee per month for persons whose family income is 100 percent to 125 percent of the federal poverty level.

(3) Until January 1, 2004, the health care authority shall admit new members to the basic health plan only to the extent authorized
under the authority's September 6, 2001, administrative policy on basic
health plan enrollment management.

(4) $162,500,000 of the health services account appropriation is
provided solely for expenditure in calendar year 2004, and $91,000,000
of the health services account appropriation is provided solely for
expenditure in calendar year 2005, to subsidize basic health plan
coverage for persons with family incomes at or below 175 percent of the
federal poverty level.

(5) $500,000 of the health services account appropriation is
provided solely for a contract with a university or other qualified
organization to link state residents with manufacturer-sponsored drug
discount programs as provided in Substitute Senate Bill No. 5904. If
Substitute Senate Bill No. 5904 is not enacted by June 30, 2003, the
amount provided in this subsection shall lapse.

(6) $1,365,000 of the health services account appropriation is
provided solely for start-up funding for a purchasing pool that will
enable certain state residents to benefit from the discounted prices
the state is able to achieve as a result of its volume purchasing power
as provided in Substitute Senate Bill No. 5904. If Substitute Senate
Bill No. 5904 is not enacted by June 30, 2003, the amount provided in
this subsection shall lapse.

(7) $5,000,000 of the health services account appropriation is
provided solely for distribution to community clinics for provision of
prenatal care for women no longer eligible for such services from the
department of social and health services due to their immigration
status. These funds shall be distributed among clinics proportional to
their historic levels of service to such persons.

NEW SECTION. Sec. 214. FOR THE HUMAN RIGHTS COMMISSION
General Fund--State Appropriation (FY 2004) ............ $2,370,000
General Fund--State Appropriation (FY 2005) ............ $2,409,000
General Fund--Federal Appropriation .................. $1,480,000
General Fund--Private/Local Appropriation ............. $100,000
TOTAL APPROPRIATION .............................. $6,359,000

NEW SECTION. Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS
Worker and Community Right-to-Know Account--State
Appropriation .............................. $20,000
Accident Account--State Appropriation  .............. $15,152,000
Medical Aid Account--State Appropriation  .............. $15,151,000
TOTAL APPROPRIATION .............................. $30,323,000

The appropriations in this section are subject to the following conditions and limitations: $192,000 of the accident account--state appropriation and $192,000 of the medical aid account--state appropriation are provided solely for implementing the provisions of Senate Bill No. 5271 (workers compensation/hearing loss). If the bill is not enacted by June 30, 2003, the amounts provided shall lapse.

NEW SECTION. Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

Death Investigations Account--State Appropriation  .............. $148,000
Public Safety and Education Account--State Appropriation  .............. $17,670,000
Municipal Criminal Justice Assistance Account--Private/Local Appropriation  .............. $460,000
TOTAL APPROPRIATION .............................. $18,278,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $124,000 of the public safety and education account appropriation is provided solely to allow the Washington association of sheriffs and police chiefs to increase the technical and training support provided to the local criminal justice agencies on the new incident-based reporting system and the national incident-based reporting system.
(2) $136,000 of the public safety and education account appropriation is provided solely to allow the Washington association of prosecuting attorneys to enhance the training provided to criminal justice personnel.
(3) $65,000 of the public safety and education account appropriation is provided solely for regionalized training programs for school district and local law enforcement officials on school safety issues.

NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF LABOR AND
INDUSTRIES

General Fund--State Appropriation (FY 2004) ........... $5,843,000
General Fund--State Appropriation (FY 2005) ........... $5,826,000
Public Safety and Education Account--State
  Appropriation ....................................... $22,338,000
Public Safety and Education Account--Federal
  Appropriation ....................................... $8,462,000
Asbestos Account--State Appropriation ................. $683,000
Electrical License Account--State Appropriation ....... $28,320,000
Farm Labor Revolving Account--Private/Local
  Appropriation ....................................... $28,000
Worker and Community Right-to-Know Account--State
  Appropriation ....................................... $2,507,000
Public Works Administration Account--State
  Appropriation ....................................... $2,281,000
Accident Account--State Appropriation ................. $189,300,000
Accident Account--Federal Appropriation ............... $13,384,000
Medical Aid Account--State Appropriation ............. $188,468,000
Medical Aid Account--Federal Appropriation .......... $2,948,000
Plumbing Certificate Account--State Appropriation ... $1,442,000
Pressure Systems Safety Account--State Appropriation ... $3,036,000
  TOTAL APPROPRIATION ............................... $474,866,000

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

(1) Pursuant to RCW 7.68.015, the department shall operate the crime victims' compensation program within the public safety and education account funds appropriated in this section. In the event that cost containment measures are necessary, the department may (a) institute copayments for services; (b) develop preferred provider contracts; or (c) utilize other cost containment measures. Cost containment measures shall not include holding invoices received in one fiscal period for payment from appropriations in subsequent fiscal periods. No more than $5,200,000 of the public safety and education account appropriation shall be expended for department administration of the crime victims' compensation program.
(2) $314,000 of the accident account--state appropriation and $56,000 of the medical aid account--state appropriation are provided solely for implementing Second Substitute Senate Bill No. 5890 (agricultural workers). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(3) $1,000,000 of the accident account--state appropriation and $1,000,000 of the medical aid account--state appropriation are provided solely for implementing Substitute Senate Bill No. 5378 (workers compensation). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(4) $207,000 of the plumbing certificate account--state appropriation and $268,000 of the pressure systems safety account--state appropriation are provided solely for implementing Substitute Senate Bill No. 5713 (electrical contractors). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 218. FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund--State Appropriation (FY 2004) .................. $989,000
General Fund--State Appropriation (FY 2005) .................. $989,000
TOTAL APPROPRIATION ................................. $1,978,000

NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS
General Fund--State Appropriation (FY 2004) .................. $1,561,000
General Fund--State Appropriation (FY 2005) .................. $1,562,000
Charitable, Educational, Penal, and Reformatory
Institutions Account--State Appropriation .................. $11,000
TOTAL APPROPRIATION ................................. $3,134,000

(2) FIELD SERVICES
General Fund--State Appropriation (FY 2004) .................. $2,598,000
General Fund--State Appropriation (FY 2005) .................. $2,598,000
General Fund--Federal Appropriation .................. $304,000
General Fund--Private/Local Appropriation .................. $1,675,000
TOTAL APPROPRIATION ................................. $7,175,000

(3) INSTITUTIONAL SERVICES
NEW SECTION. Sec. 220. FOR THE HOME CARE QUALITY AUTHORITY

General Fund--State Appropriation (FY 2004) . . . . . . . $405,000
General Fund--State Appropriation (FY 2005) . . . . . . . $252,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . $657,000

The appropriations in this section are subject to the following conditions and limitations: $150,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for the design and development of the home care provider registry mandated by Initiative Measure No. 775.

NEW SECTION. Sec. 221. FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2004) . . . . . . . $55,285,000
General Fund--State Appropriation (FY 2005) . . . . . . . $57,450,000
General Fund--Federal Appropriation . . . . . . . . . . . $349,128,000
General Fund--Private/Local Appropriation . . . . . . . $92,723,000
Hospital Commission Account--State Appropriation . . . . $2,490,000
Health Professions Account--State Appropriation . . . . $40,042,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation . . . . . . . . . . . $27,053,000
Safe Drinking Water Account--State Appropriation . . . . $2,736,000
Drinking Water Assistance Account--Federal
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . $13,518,000
Waterworks Operator Certification--State Appropriation . . $637,000
Water Quality Account--State Appropriation . . . . . . . $3,373,000
State Toxics Control Account--State Appropriation . . . . $2,629,000
Medical Test Site Licensure Account--State Appropriation . $1,718,000
Youth Tobacco Prevention Account--State Appropriation . . $1,806,000
Accident Account--State Appropriation . . . . . . . . . . . $260,000
Medical Aid Account--State Appropriation . . . . . . . . . $46,000
Health Services Account--State Appropriation . . . . . . . $34,293,000
Tobacco Prevention and Control Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . $52,516,000
The appropriations in this section are subject to the following conditions and limitations:

1. The department or any successor agency is authorized to raise existing fees charged for health care assistants, commercial shellfish paralytic shellfish poisoning, commercial shellfish licenses, and newborn screening programs in excess of the fiscal growth factor under chapter 43.135 RCW if necessary to meet the actual costs of conducting business and the appropriation levels in this section.

2. $1,488,000 of the general fund--state fiscal year 2004 appropriation and $1,489,000 of the general fund--state fiscal year 2005 appropriation are provided solely for the implementation of the Puget Sound water work plan and agency action items, DOH-01, DOH-02, DOH-03, and DOH-04.

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

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

5. $2,984,000 of the general fund--local appropriation is provided solely for development and implementation of an internet-based system for preparing and retrieving death certificates as provided in
Substitute Senate Bill No. 5545. If Substitute Senate Bill No. 5545 is not enacted by June 30, 2003, the amount provided in this subsection shall lapse.

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

NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF CORRECTIONS
The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, 2004, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2004 between programs. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any deviations from appropriation levels.

(1) ADMINISTRATION AND SUPPORT SERVICES
General Fund--State Appropriation (FY 2004) . . . . . . $35,376,000
General Fund--State Appropriation (FY 2005) . . . . . . $35,579,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $26,000
Public Safety and Education Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $3,624,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $74,605,000

(2) CORRECTIONAL OPERATIONS
General Fund--State Appropriation (FY 2004) . . . . . . $444,514,000
General Fund--State Appropriation (FY 2005) . . . . . . $449,634,000
General Fund--Federal Appropriation . . . . . . . . . . . $8,746,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . $4,350,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $907,244,000
The appropriations in this subsection are subject to the following conditions and limitations:

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

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

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

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

(e) During the 2003-2005 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

(f) $2,984,000 of the violence reduction and drug enforcement appropriation is provided solely for chemical dependency treatment to offenders pursuant to the drug reform act of 2002.

(3) COMMUNITY SUPERVISION
The appropriations in this subsection are subject to the following
conditions and limitations:
(a) The department of corrections shall accomplish personnel
reductions with the least possible impact on correctional custody
staff, community custody staff, and correctional industries. For the
purposes of this subsection, correctional custody staff means employees
responsible for the direct supervision of offenders.
(b) $75,000 of the general fund--state appropriation for fiscal
year 2004 and $75,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the department of corrections
to contract with the institute for public policy for responsibilities
assigned in chapter 196, Laws of 1999 (offender accountability act) and
sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
sentencing).

(4) CORRECTIONAL INDUSTRIES

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

(5) INTERAGENCY PAYMENTS

The appropriations in this subsection are subject to the following
conditions and limitations: $27,951,000 of the general fund--state
appropriation for fiscal year 2004 and $27,986,000 of the general fund--
state appropriation for fiscal year 2005 are provided solely for
transfer to the jail industries board. The board shall use the amounts
provided only for administrative expenses, equipment purchases, and
technical assistance associated with advising cities and counties in
developing, promoting, and implementing consistent, safe, and efficient
offender work programs.
NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF SERVICES FOR THE
BLIND
General Fund--State Appropriation (FY 2004) .................. $1,773,000
General Fund--State Appropriation (FY 2005) .................. $1,773,000
General Fund--Federal Appropriation ......................... $14,334,000
General Fund--Private/Local Appropriation .................. $80,000
TOTAL APPROPRIATION ....................................... $17,960,000

NEW SECTION. Sec. 224. FOR THE SENTENCING GUIDELINES COMMISSION
General Fund--State Appropriation (FY 2004) .................. $737,000
General Fund--State Appropriation (FY 2005) .................. $741,000
TOTAL APPROPRIATION ....................................... $1,478,000

NEW SECTION. Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT
General Fund--Federal Appropriation ......................... $265,438,000
General Fund--Private/Local Appropriation .................. $29,861,000
Unemployment Compensation Administration Account--
Federal Appropriation ....................................... $178,241,000
Administrative Contingency Account--State
Appropriation ............................................... $13,652,000
Employment Service Administrative Account--State
Appropriation ............................................... $22,566,000
TOTAL APPROPRIATION ....................................... $509,758,000

(End of part)
PART III
NATURAL RESOURCES

NEW SECTION. Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2004) .................. $480,000
General Fund--State Appropriation (FY 2005) .................. $482,000
General Fund--Private/Local Appropriation ...................... $527,000
TOTAL APPROPRIATION ...................................... $1,489,000

The appropriations in this section are subject to the following conditions and limitations: $205,000 of the general fund--state appropriation for fiscal year 2004 and $205,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for grants to Washington Columbia River Gorge counties to implement their responsibilities under the national scenic area management plan. Of this amount, $390,000 is provided for Skamania county and $20,000 is provided for Clark county.

NEW SECTION. Sec. 302. FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004) ............... $32,588,000
General Fund--State Appropriation (FY 2005) ............... $32,313,000
General Fund--Federal Appropriation ......................... $56,820,000
General Fund--Private/Local Appropriation ................... $3,658,000
Special Grass Seed Burning Research Account--State Appropriation ................................ $14,000
Reclamation Account--State Appropriation ................. $2,752,000
Flood Control Assistance Account--State Appropriation .... $2,012,000
State Emergency Water Projects Revolving Account--State Appropriation .................. $551,000
Waste Reduction/Recycling/Litter Control--State Appropriation ................................ $13,656,000
State Drought Preparedness--State Appropriation .......... $1,707,000
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation .................. $591,000
Site Closure Account--State Appropriation .................. $629,000
Water Quality Account--State Appropriation ................. $25,163,000
Wood Stove Education and Enforcement Account--State Appropriation .................. $356,000
Worker and Community Right-to-Know Account--State Appropriation $3,317,000
State Toxics Control Account--State Appropriation $58,134,000
State Toxics Control Account--Private/Local Appropriation $352,000
Local Toxics Control Account--State Appropriation $4,837,000
Water Quality Permit Account--State Appropriation $24,997,000
Underground Storage Tank Account--State Appropriation $2,689,000
Environmental Excellence Account--State Appropriation $504,000
Biosolids Permit Account--State Appropriation $782,000
Hazardous Waste Assistance Account--State Appropriation $4,150,000
Air Pollution Control Account--State Appropriation $1,643,000
Oil Spill Prevention Account--State Appropriation $7,674,000
Air Operating Permit Account--State Appropriation $3,667,000
Freshwater Aquatic Weeds Account--State Appropriation $2,502,000
Oil Spill Response Account--State Appropriation $7,078,000
Metals Mining Account--State Appropriation $19,000
Water Pollution Control Revolving Account--State Appropriation $379,000
Water Pollution Control Revolving Account--Federal Appropriation $1,850,000
TOTAL APPROPRIATION $297,384,000

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

(1) $2,708,196 of the general fund--state appropriation for fiscal year 2004, $2,708,196 of the general fund--state appropriation for fiscal year 2005, $394,000 of the general fund--federal appropriation, $2,581,000 of the state toxics account--state appropriation, $217,830 of the water quality account--state appropriation, $322,976 of the state drought preparedness account--state appropriation, $3,748,220 of the water quality permit account--state appropriation, and $2,104,942 of the oil spill prevention account are provided solely for the implementation of the Puget Sound work plan and agency action items DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

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

(3) Within the amounts appropriated in this section and within the authority in chapter 43.21A RCW (department of ecology), chapter 70.94
RCW (Washington clean air act), chapter 70.95 RCW (solid waste management), chapter 70.105 RCW (hazardous waste management), chapter 70.105D RCW (hazardous waste cleanup), and chapter 90.48 RCW (water pollution control), the department of ecology shall implement the persistent, bioaccumulative toxic chemical strategy. The department shall not implement the strategy until the list of chemicals subject to the strategy is adopted by rule.

(4) $170,000 of the oil spill prevention account appropriation is provided solely for implementation of the Puget Sound work plan action item UW-02 through a contract with the University of Washington's sea grant program to develop an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

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

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

(7) The water quality account--state appropriation is deemed sufficient to implement Substitute Senate Bill No. 5027 (watershed planning).

(8) The appropriations in this section are deemed sufficient to implement Substitute Senate Bill No. 5024 (municipal water rights).

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

NEW SECTION. Sec. 303. FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $30,099,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $30,086,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . $2,647,000
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<th>Account/Liability Description</th>
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<td>Winter Recreation Program Account--State Appropriation</td>
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<td>Off Road Vehicle Account--State Appropriation</td>
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<td>Snowmobile Account--State Appropriation</td>
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<td>Aquatic Lands Enhancement Account--State Appropriation</td>
<td>$327,000</td>
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<td>Public Safety and Education Account--State Appropriation</td>
<td>$47,000</td>
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<td>Water Trail Program Account--State Appropriation</td>
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<td>Parks Renewal and Stewardship Account--State Appropriation</td>
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<td><strong>TOTAL APPROPRIATION</strong></td>
<td><strong>$102,563,000</strong></td>
</tr>
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The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

**NEW SECTION. Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

<table>
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<th>Account/Liability Description</th>
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<td>General Fund--State Appropriation (FY 2005)</td>
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<td>General Fund--Federal Appropriation</td>
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<td>Aquatic Lands Enhancement Account--State Appropriation</td>
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<td>Water Quality Account--State Appropriation</td>
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<td>Firearms Range Account--State Appropriation</td>
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<td>Recreation Resources Account--State Appropriation</td>
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<td>NOVA Program Account--State Appropriation</td>
<td>$659,000</td>
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</table>
The appropriations in this section are subject to the following conditions and limitations:

1. $250,000 of the general fund--state appropriation for fiscal year 2004 and $250,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement priority recommendations developed by the monitoring oversight committee as directed by RCW 77.85.210. Within these funds, activity shall be directed to improve monitoring oversight within watersheds, enhance data coordination and access among recovery partners, and produce a state watershed health report card.

2. $16,000,000 of the general fund--federal appropriation is provided solely for implementation of the forest and fish agreement rules. These funds will be allocated to the department of natural resources and the department of fish and wildlife.

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

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

NEW SECTION. Sec. 305. FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund--State Appropriation (FY 2004) ............... $876,000
General Fund--State Appropriation (FY 2005) ............... $923,000
TOTAL APPROPRIATION ............................................. $1,799,000
NEW SECTION. Sec. 306. FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2004) ................. $2,119,000
General Fund--State Appropriation (FY 2005) ................. $2,127,000
Water Quality Account--State Appropriation ................. $2,164,000

TOTAL APPROPRIATION ........................................ $6,410,000

The appropriations in this section are subject to the following conditions and limitations: $247,000 of the general fund--state appropriation for fiscal year 2004 and $247,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of the Puget Sound work plan and agency action item CC-01.

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2004) ................. $42,393,000
General Fund--State Appropriation (FY 2005) ................. $40,818,000
General Fund--Federal Appropriation ......................... $31,507,000
General Fund--Private/Local Appropriation ................ $24,190,000
Off Road Vehicle Account--State Appropriation .............. $471,000
Aquatic Lands Enhancement Account--State Appropriation .... $5,570,000
Public Safety and Education Account--State Appropriation .. $562,000
Recreational Fisheries Enhancement--State Appropriation ... $3,370,000
Warm Water Game Fish Account--State Appropriation ......... $2,533,000
Eastern Washington Pheasant Enhancement Account--State Appropriation .................. $750,000
Wildlife Account--State Appropriation ....................... $55,986,000
Wildlife Account--Federal Appropriation ...................... $37,990,000
Wildlife Account--Private/Local Appropriation ............... $15,110,000
Game Special Wildlife Account--State Appropriation ........ $1,936,000
Game Special Wildlife Account--Federal Appropriation ...... $9,582,000
Game Special Wildlife Account--Private/Local Appropriation .................. $350,000
Water Quality Account--State Appropriation .................. $4,000
Environmental Excellence Account--State Appropriation ..... $15,000
Regional Fisheries Salmonid Recovery Account--Federal Appropriation .................. $1,750,000
Oil Spill Prevention Account--State Appropriation ............ $977,000
Oyster Reserve Land Account--State Appropriation .......... $137,000

TOTAL APPROPRIATION ........................................ $276,001,000
The appropriations in this section are subject to the following conditions and limitations:

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

(2) $150,000 of the wildlife account--state appropriation is provided solely for the development and implementation of an agency strategic marketing plan. The department shall contract for professional services to develop the commission's strategic marketing plan. Implementation of the watchable wildlife decal program, as outlined in Substitute Senate Bill No. 5204, may not occur prior to the fish and wildlife commission's approval of the final strategic marketing plan. This plan shall be completed by September 3, 2004.

(3) $225,000 of the general fund--state appropriation for fiscal year 2004, $225,000 of the general fund--state appropriation for fiscal year 2005, and $550,000 of the wildlife account--state appropriation are provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

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

(5) $900,000 of the wildlife fund--state appropriation is provided solely for wetland restoration activities for migratory waterfowl by providing landowner incentives to create or maintain waterfowl habitat and management activities.

(6) $402,000 of the wildlife fund--state appropriation is provided solely for the department to investigate and begin developing actions to reverse the reduction of marine bird populations in the Puget Sound.

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

(8) $2,000,000 of the aquatic lands enhancement account appropriation is provided for cooperative volunteer projects.
(9) The department shall support the activities of the aquatic nuisance species coordination committee to foster state, federal, tribal, and private cooperation on aquatic nuisance species issues. The committee shall strive to prevent the introduction of nonnative aquatic species and to minimize the spread of species that are introduced.

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

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

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

(13) $14,680,000 of the wildlife account--state appropriation is provided solely for the operation of the wildlife program and is contingent upon the department meeting the following conditions: In Okanogan, Ferry, Stevens, and Pend Oreille counties, the department shall not acquire properties with funds provided by the federal government, except in noncontiguous parcels less than five acres in size.

(14) $43,000 of the general fund--state appropriation for fiscal year 2004 and $42,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for staffing and operation of the Tennant Lake interpretive center.
Aquatic Lands Enhancement Account--State Appropriation . . $6,904,000
Resources Management Cost Account--State Appropriation . . $72,594,000
Surface Mining Reclamation Account--State Appropriation . . $2,217,000
Water Quality Account--State Appropriation . . . . . . . $2,407,000
Aquatic Land Dredged Material Disposal Site Account--
State Appropriation . . . . . . . . . . . . . . . . . . . . . . . $1,294,000
Natural Resources Conservation Areas Stewardship Account--
State Appropriation . . . . . . . . . . . . . . . . . . . . . . . $83,000
Air Pollution Control Account--State Appropriation . . . . $518,000
Derelict Vessel Removal Account--State Appropriation . . $1,128,000
Disaster Response Account--State Appropriation . . . . . $6,200,000
Agricultural College Trust Management Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,818,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $224,525,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $18,000 of the general fund--state appropriation for fiscal year 2004, $18,000 of the general fund--state appropriation for fiscal year 2005, and $1,006,950 of the aquatic lands enhancement account appropriation are provided solely for the implementation of the Puget Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.
(2) $908,000 of the general fund--state appropriation for fiscal year 2004 and $910,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.
(3) $3,215,000 of the general fund--state appropriation for fiscal year 2004, $9,415,000 of the general fund--state appropriation for fiscal year 2005, and $6,200,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression.
(4) $582,000 of the aquatic lands enhancement account appropriation is provided solely for spartina control.
(5) Fees approved by the board of natural resources in the 2003-05 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.
(6) The department shall prepare a report of actual and planned expenditures by task and activity from all fund sources for all aspects
of the forest and fish program for the 2001-03 and 2003-05 biennia. The report shall be submitted to the director of financial management and the legislative fiscal committees by August 31, 2003.

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

(8) $1,000,000 of the aquatic lands enhancement account--state appropriation is provided solely for the department to meet its obligations with the U.S. environmental protection agency for the clean-up of the Thea Foss waterway.

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

(10) $4,000 of the general fund--state appropriation for fiscal year 2004 and $4,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to compensate the forest board trust for a portion of the lease to the Crescent television improvement district consistent with RCW 79.12.055.

(11) The department of natural resources shall provide a report to the appropriate committees of the legislature, the office of financial management, the office of the attorney general, and the board of natural resources concerning the costs and effectiveness of the contract harvesting program as authorized by Second Substitute Senate Bill No. 5074 (contract harvesting). The report shall be submitted by December 31, 2006, and shall include the following information:

(a) Number of sales conducted through contract harvesting;

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

NEW SECTION.  Sec. 309. FOR THE DEPARTMENT OF AGRICULTURE

<table>
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<tr>
<th>Fund</th>
<th>Appropriation (FY)</th>
<th>Amount</th>
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<td>General Fund--State</td>
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<tr>
<td>General Fund--State</td>
<td>2005</td>
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<td>Water Quality Account</td>
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<td>State Toxics Control</td>
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<td>Water Quality Permit</td>
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<td>$110,000</td>
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TOTAL APPROPRIATION: $31,032,000

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

1. $37,000 of the general fund--state appropriation for fiscal year 2004 and $37,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for implementation of the Puget Sound work plan and agency action item WSDA-01.
2. Fees and assessments approved by the department in the 2003-05 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.

NEW SECTION.  Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM

Pollution Liability Insurance Program Trust Account--State Appropriation: $914,000

(End of part)
NEW SECTION. Sec. 401. FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2004) ................ $5,009,000
General Fund--State Appropriation (FY 2005) ................ $5,013,000
Architects' License Account--State Appropriation ...... $695,000
Cemetery Account--State Appropriation .................. $238,000
Professional Engineers' Account--State Appropriation ... $3,036,000
Real Estate Commission Account--State Appropriation .. $7,133,000
Master License Account--State Appropriation ........... $9,125,000
Uniform Commercial Code Account--State Appropriation $2,987,000
Real Estate Education Account--State Appropriation .... $276,000
Real Estate Appraiser Commission Account--State ... $927,000
Funeral Directors and Embalmers Account--State ... $521,000
Geologists' Account--State Appropriation ................ $9,000
Data Processing Revolving Account--State Appropriation $29,000
TOTAL APPROPRIATION ................................ $35,306,000

The appropriations in this section are subject to the following conditions and limitations: In accordance with RCW 43.24.086, it is the policy of the state of Washington that the cost of each professional, occupational, or business licensing program be fully borne by the members of that profession, occupation, or business. For each licensing program covered by RCW 43.24.086, the department shall set fees at levels sufficient to fully cover the cost of administering the licensing program, including any costs associated with policy enhancements funded in the 2003-05 fiscal biennium. Pursuant to RCW 43.135.055, during the 2003-05 fiscal biennium, the department may increase fees in excess of the fiscal growth factor if the increases are necessary to fully fund the costs of the licensing programs.

NEW SECTION. Sec. 402. FOR THE STATE PATROL

General Fund--State Appropriation (FY 2004) ............... $20,073,000
General Fund--State Appropriation (FY 2005) ............... $18,924,000
General Fund--Federal Appropriation ................. $4,260,000
General Fund--Private/Local Appropriation ........... $380,000
Death Investigations Account--State Appropriation ... $4,503,000
Public Safety and Education Account--State
  Appropriation ...................................... $20,085,000
Enhanced 911 Account--State Appropriation ............ $612,000
County Criminal Justice Assistance Account--State
  Appropriation ...................................... $2,771,000
Municipal Criminal Justice Assistance Account--State
  Appropriation ...................................... $1,151,000
Fire Service Trust Account--State Appropriation ....... $127,000
Fire Service Training Account--State Appropriation ... $6,634,000
State Toxics Control Account--State Appropriation .... $438,000
Violence Reduction and Drug Enforcement Account--State
  Appropriation ...................................... $272,000
Fingerprint Identification Account--State Appropriation $4,421,000
  TOTAL APPROPRIATION .............................. $84,651,000

The appropriations in this section are subject to the following
conditions and limitations: $200,000 of the fire services account--
state appropriation is provided solely for two FTE's in the office of
state fire marshal to exclusively review K-12 construction documents
for fire and life safety in accordance with the state building code.
It is the intent of this appropriation to provide these services only
to those districts that are located in counties without qualified
review capabilities.

(End of part)
PART V
EDUCATION

NEW SECTION. Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004) . . . . . . . . $11,196,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $11,185,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $15,509,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $37,890,000

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

(a) $10,237,000 of the general fund--state appropriation for fiscal year 2004 and $10,234,000 of the general fund--state appropriation for fiscal year 2005 are provided for the operation and expenses of the office of the superintendent of public instruction.

(b) $407,000 of the general fund--state appropriation for fiscal year 2004 and $407,000 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) $395,000 of the general fund--state appropriation for fiscal year 2004 and $395,000 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 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of Substitute Senate Bill No. 5012 (charter schools). If the bill is not enacted before June 30, 2003, the amounts provided in this subsection shall lapse.

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

(2) STATEWIDE PROGRAMS

General Fund--State Appropriation (FY 2004) ................ $6,724,000
General Fund--State Appropriation (FY 2005) ................ $6,720,000
General Fund--Federal Appropriation ....................... $66,405,000
TOTAL APPROPRIATION .................................. $79,849,000

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

(a) HEALTH AND SAFETY

(i) A maximum of $89,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $89,000 of the general fund--state appropriation for fiscal year 2005 are provided for the school safety center in the office of the superintendent of public instruction subject to the following conditions and limitations.

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

(B) The superintendent of public instruction shall participate in a school safety center advisory committee that includes representatives of educators, classified staff, principals, superintendents, administrators, the American society for industrial security, the state criminal justice training commission, and others deemed appropriate and approved by the school safety center advisory committee. Members of the committee shall be chosen by the groups they represent. In addition, the Washington association of sheriffs and police chiefs shall appoint representatives of law enforcement to participate on the school safety center advisory committee. The advisory committee shall select a chair.
(C) The school safety center advisory committee shall develop a training program, using the best practices in school safety, for all school safety personnel.

(ii) $400,000 of the general fund--federal appropriation transferred from the department of health is provided for a program that provides grants to school districts for media campaigns promoting sexual abstinence and addressing the importance of delaying sexual activity, pregnancy, and childbearing until individuals are ready to nurture and support their children. Grants to the school districts shall be for projects that are substantially designed and produced by students. The grants shall require a local private sector match, which may include in-kind contribution of technical or other assistance from consultants or firms involved in public relations, advertising, broadcasting, and graphics or video production or other related fields.

(iii) $13,663,000 of the general fund--federal appropriation is provided for safe and drug free schools and communities grants for drug and violence prevention activities and strategies.

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

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

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

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

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

(i) A maximum of $1,939,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $1,939,000 of the general fund--state appropriation for fiscal year 2005 are provided for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network. A maximum of $650,000 of this amount may be expended for state-level administration and staff training on the K-20 network.

(ii) A maximum of $540,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $540,000 of the general fund--state appropriation for fiscal year 2005 are provided for the Washington state leadership assistance for science education reform (LASER) regional partnership coordinated at the Pacific Science Center.

(c) GRANTS AND ALLOCATIONS

(i) A maximum of $761,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $757,000 of the general fund--state appropriation for fiscal year 2005 are provided for alternative certification routes. Funds may be used for the professional educator standards board to continue existing alternative-route grant programs and create new alternative-route programs in regions of the state with service shortages.

(ii) A maximum of $612,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $612,000 of the general fund--state appropriation for fiscal year 2005 are provided for in-service training and educational programs conducted by the Pacific Science Center.

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

(iv) $1,433,000 of the general fund--federal appropriation is provided for the advanced placement fee program to increase opportunities for low-income students and under-represented populations to participate in advanced placement courses and to increase the capacity of schools to provide advanced placement courses to students.
(v) $9,510,000 of the general fund--federal appropriation is provided for comprehensive school reform demonstration projects to provide grants to low-income schools for improving student achievement through adoption and implementation of research-based curricula and instructional programs.

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

NEW SECTION. Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2004) . . . . . . $3,949,796,000
General Fund--State Appropriation (FY 2005) . . . . . . $3,966,361,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $7,916,157,000

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

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

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

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

(i) Four certificated administrative staff units per thousand full-time equivalent students in grades K-12;
(ii) 49 certificated instructional staff units per thousand full-time equivalent students in grades K-3;
(iii) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 4-12; and
(iv) An additional 4.2 certificated instructional staff units for grades K-3 and an additional 7.2 certificated instructional staff units for grade 4. Any funds allocated for the additional certificated units provided in this subsection (iv) shall not be considered as basic education funding.

(A) Funds provided under this subsection (2)(a)(iv) in excess of the amount required to maintain the statutory minimum ratio established under RCW 28A.150.260(2)(b) shall be allocated only if the district documents an actual ratio in grades K-4 equal to or greater than 53.2 certificated instructional staff per thousand full-time equivalent students. For any school district documenting a lower certificated instructional staff ratio, the allocation shall be based on the district's actual grades K-4 certificated instructional staff ratio achieved in that school year, or the statutory minimum ratio established under RCW 28A.150.260(2)(b), if greater;

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

(C) Any district maintaining a ratio in grades K-4 equal to or greater than 53.2 certificated instructional staff per thousand full-time equivalent students may use allocations generated under this subsection (2)(a)(iv) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(b) to employ additional basic education certificated instructional staff or classified instructional assistants in grades 5-6. Funds allocated under this subsection (2)(a)(iv) shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants;
(b) For school districts with a minimum enrollment of 250 full-time equivalent students whose full-time equivalent student enrollment count in a given month exceeds the first of the month full-time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full-time equivalent students been included in the normal enrollment count for that particular month;

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

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

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

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

(iii) For the 2003-04 and 2004-05 school years, indirect cost charges by a school district to vocational-secondary programs shall not exceed 15 percent of the combined basic education and vocational enhancement allocations of state funds.

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

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and
(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

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

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

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

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

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

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

Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational full-time equivalent students;
(g) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit; and

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

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

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

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

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

(4) Fringe benefit allocations shall be calculated at a rate of 9.31 percent in the 2003-04 school year and 9.31 percent in the 2004-05 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 12.53 percent in the 2003-04 school year and 12.53 percent in the 2004-05 school year for classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(4) of this act, based on the number of benefit units determined as follows:

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

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

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

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

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

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

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

(9) The superintendent may distribute a maximum of $3,190,000 for fiscal year 2004 and a maximum of $3,202,000 during fiscal year 2005 outside the basic education formula as follows:

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

(b) A maximum of $353,000 may be expended for school district emergencies;

(c) For summer vocational programs at skills centers, a maximum of $2,035,000 may be expended each fiscal year; and

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

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

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

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

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.
$159,000 of the general fund--state appropriation for fiscal year 2004 and $1,181,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of Substitute Senate Bill No. 5012 (charter schools). If the bill is not enacted before June 30, 2003, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION. (1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

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

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

(2) For the purposes of this section:

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

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

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

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 8.67 percent for school years 2003-04 and 2004-05 for certificated staff and 9.03 percent for school years 2003-04 and 2004-05 for classified staff.

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

K-12 Salary Allocation Schedule For Certificated Instructional Staff

2003-04 School Year

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<tr>
<th>Years of Service</th>
<th>Code Rev/LL:mos</th>
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<td>7</td>
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<tr>
<td>11</td>
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<td>44,196</td>
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<td>52,333</td>
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<tr>
<td>16 or More</td>
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</table>

K-12 Salary Allocation Schedule For Certificated Instructional Staff

2004-05 School Year

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<th>Years of Service</th>
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</tr>
</thead>
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<tr>
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<tr>
<td>16 or More</td>
<td>50,873</td>
<td>53,379</td>
</tr>
</tbody>
</table>

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

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

(i) Credits earned since receiving the masters degree; and
(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:
(a) "BA" means a baccalaureate degree.
(b) "MA" means a masters degree.
(c) "PHD" means a doctorate degree.
(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.
(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.
(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this act, or any replacement schedules and documents, unless:
   (a) The employee has a masters degree; or
   (b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The certificated instructional staff base salary specified for each district in LEAP Document 12E and the salary schedules in subsection (4)(a) of this section include two learning improvement days. A school district is eligible for the learning improvement day funds for school years 2003-04 and 2004-05, only if two learning improvement days have been added to the 180-day contract year. If fewer than two days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional days shall be for activities related to improving student learning consistent with education reform implementation, and shall not be considered part of basic education. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

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

NEW SECTION. Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . $25,586,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . $104,073,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . $423,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . $130,082,000

The appropriations in this section are subject to the following conditions and limitations:
   (1) $9,017,000 of the general fund--state appropriation for fiscal year 2004 and $20,920,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to provide a salary adjustment for state formula certificated instructional staff units in their first
seven years of service. Consistent with the statewide certificated
instructional staff salary allocation schedule in section 503 of this
act, sufficient funding is provided to increase the salary of
certificated instructional staff units in the 2003-04 school year and
the 2004-05 school year by the following percentages: Three percent
for certificated instructional staff in their first and second years of
service; two and one-half percent for certificated instructional staff
in their third year of service; one and one-half percent for
certificated instructional staff in their fourth year of service; one
percent for certificated instructional staff in their fifth year of
service; and one-half of a percent for certificated instructional staff
in their sixth and seventh years of service. These increases will take
effect September 1, 2003 and September 1, 2004.

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

(b) The appropriations include associated incremental fringe
benefit allocations at rates of 8.67 percent for school year 2003-04
and 8.67 percent for school year 2004-05 for certificated staff.
Increases for general apportionment (basic education) are based on the
salary allocation schedules and methodology in sections 502 and 503 of
this act. Increases for special education result from increases in
each district's basic education allocation per student. Increases for
educational service districts and institutional education programs are
determined by the superintendent of public instruction using the
methodology for general apportionment salaries and benefits in sections
502 and 503 of this act.
(2) $5,424,000 of the general fund--state appropriation for fiscal year 2004 and $12,258,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to provide a salary adjustment for state formula classified staff units of one percent effective September 1, 2003, and another salary adjustment of one percent effective on September 1, 2004.

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

(b) The appropriations include associated incremental fringe benefit allocations at rates of 9.03 percent for the 2003-04 school year and 9.03 percent for the 2004-05 school year for classified staff. The appropriations in this section include the increased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in this part V of this act. Increases for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502 and 503 of this act. Increases for special education result from increases in each district's basic education allocation per student. Increases for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act.

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

<table>
<thead>
<tr>
<th>School Year</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupil Transportation (per weighted pupil mile)</td>
<td>$0.22</td>
<td>$0.45</td>
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<tr>
<td>Highly Capable (per formula student)</td>
<td>$0.93</td>
<td>$1.88</td>
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<tr>
<td>Transitional Bilingual Education (per eligible bilingual student)</td>
<td>$2.45</td>
<td>$4.95</td>
</tr>
</tbody>
</table>
(4) $83,251,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is $457.07 per month for the 2003-04 and 2004-05 school years. The appropriations in this section provide for a rate increase to $471.12 per month for the 2003-04 school year and $542.48 per month for the 2004-05 school year at the following rates:

<table>
<thead>
<tr>
<th>School Year</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupil Transportation (per weighted pupil mile)</td>
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<tr>
<td>Highly Capable (per formula student)</td>
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<tr>
<td>Transitional Bilingual Education (per eligible bilingual student)</td>
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</tr>
<tr>
<td>Learning Assistance (per entitlement unit)</td>
<td>$1.79</td>
<td>$10.87</td>
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</table>

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

NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . . $201,856,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . . $210,555,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . $412,411,000

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

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

(2) A maximum of $768,000 of this fiscal year 2004 appropriation and a maximum of $782,000 of the fiscal year 2005 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.
(3) $5,000 of the fiscal year 2004 appropriation and $5,000 of the
fiscal year 2005 appropriation are provided solely for the
transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of $39.26 per weighted mile in the 2003-04 school year and $39.49 per weighted mile in the 2004-05 school year exclusive of salary and benefit adjustments, if any, provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

(5) Beginning in the 2003-04 school year, the office of superintendent of public instruction shall provide reimbursement funding to a school district only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195. The competitive specifications shall meet federal motor vehicle safety standards, minimum state specifications as established by rule by the superintendent, and supported options as determined by the superintendent in consultation with the regional transportation coordinators of the educational service districts.

NEW SECTION. Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $3,100,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $3,100,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . $272,069,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $278,269,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

NEW SECTION. Sec. 507. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2004) ................ $434,011,000
General Fund--State Appropriation (FY 2005) ................ $429,750,000
General Fund--Federal Appropriation .......................... $409,783,000
TOTAL APPROPRIATION ........................................ $1,273,544,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) "Enrollment percent" means the district's resident special 
education annual average enrollment, excluding the birth through age
two enrollment, as a percent of the district's annual average full-time
equivalent basic education enrollment. For the 2003-04 and the 2004-05
school years, each district's general fund--state funded special
education enrollment shall be the lesser of the district's actual
enrollment percent or 12.7 percent. Increases in enrollment percent
from 12.7 percent to 13.0 percent shall be funded from the general
fund--federal appropriation.

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

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

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

(b) The committee shall then consider the extraordinary high cost
needs of one or more individual special education students.
Differences in costs attributable to district philosophy, service
delivery choice, or accounting practices are not a legitimate basis for
safety net awards.
(c) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

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

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

(f) The superintendent may expend up to $120,000 per year of the amount provided from the general fund--federal appropriation in this subsection (8) to provide staff assistance to the committee in analyzing applications for safety net funds received by the committee.

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

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

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2004) . . . . . . . $3,032,000
General Fund--State Appropriation (FY 2005) . . . . . . . $3,032,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $6,064,000

The appropriations in this section are subject to the following
conditions and limitations: The educational service districts shall
continue to furnish financial services required by the superintendent
of public instruction and RCW 28A.310.190 (3) and (4).

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2004) . . . . . . . $162,236,000
General Fund--State Appropriation (FY 2005) . . . . . . . $167,073,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $329,309,000

NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . $18,563,000
General Fund--State Appropriation (FY 2005) . . . . . . . $19,040,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $37,603,000
The appropriations in this section are subject to the following
conditions and limitations:

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

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

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

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

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

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

NEW SECTION. Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . $5,683,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . $5,536,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $11,219,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of $334.07 per funded student for the 2003-04 school year and $334.07 per funded student for the 2004-05 school year, exclusive of salary and benefit adjustments, if any, pursuant to section 504 of this act. The number of funded students shall be a maximum of 1.75 percent of each district's full-time equivalent basic education enrollment.

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation . . . . . . . . . . $46,198,000

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . $35,919,000
General Fund--State Appropriation (FY 2005) . . . . . . $34,398,000
General Fund--Federal Appropriation . . . . . . . . . . $128,402,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $198,719,000

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

(1) $295,000 of the general fund--state appropriation for fiscal year 2004 and $295,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the academic achievement and accountability commission.

(2) $15,119,000 of the general fund--state appropriation for fiscal year 2004, $12,916,000 of the general fund--state appropriation for fiscal year 2005, and $15,455,000 of the general fund--federal appropriation are provided for development and implementation of the Washington assessments of student learning. Up to $689,000 of the appropriation may be expended for data analysis and data management of test results.

(3) $274,000 of the fiscal year 2004 general fund--state appropriation and $274,000 of the fiscal year 2005 general fund--state
appropriation are provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) $2,500,000 of the general fund--state appropriation for fiscal
year 2004 and $2,500,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the meals for kids program

(7) $705,000 of the general fund--state appropriation for fiscal
year 2004 and $705,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the leadership internship
program for superintendents, principals, and program administrators.

(8) $1,764,000 of the general fund--state appropriation for fiscal
year 2004 and $1,764,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the mathematics helping corps
subject to the following conditions and limitations:

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

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

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

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

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

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

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

(vi) Assistance in developing and implementing family and community
involvement programs emphasizing mathematics; and
(vii) Other assistance to schools and school districts intended to improve student mathematics learning.

(9) $3,713,000 of the general fund--state appropriation for fiscal year 2004 and $3,713,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the Washington reading corps subject to the following conditions and limitations:

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

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

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

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

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

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

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

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

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

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

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

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

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

(10) $1,487,000 of the general fund--state appropriation for fiscal year 2004 and $2,169,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for salary bonuses for teachers who attain certification by the national board for professional teaching standards subject to the following conditions and limitations:

(a) Teachers who have attained certification by the national board in the 2000-01 school year, 2001-02 school year, 2002-03 school year, 2003-04 school year, or 2004-05 school year shall receive an annual bonus not to exceed $3,500.

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

(c) It is the intent of the legislature that teachers achieving certification by the national board of professional teaching standards will receive no more than four annual bonus payments for attaining certification by the national board.

(11) $70,000 of the general fund--state appropriation for fiscal year 2004 and $70,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the second grade reading test. The funds shall be expended for assessment training for new second grade teachers and replacement of assessment materials.

(12) A maximum of $220,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $220,000 of the general fund--state appropriation for fiscal year 2005 are provided for the superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.
(13) $126,000 of the general fund--state appropriation for fiscal year 2004 and $126,000 of the general fund--state appropriation for fiscal year 2005 are provided for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers implementing higher academic standards.

(14) $1,746,000 of the general fund--state appropriation for fiscal year 2004 and $1,746,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to the office of the superintendent of public instruction for focused assistance to schools. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Of the amounts provided, $350,000 of the fiscal year 2004 appropriation and $350,000 of the fiscal year 2005 appropriation are provided to the office of the superintendent of public instruction for the administrative duties arising under this subsection. Each educational audit shall include recommendations for best practices and ways to address identified needs and shall be presented to the community in a public meeting to seek input on ways to implement the audit and its recommendations.

(15) $87,901,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the elementary and secondary education act. To extent allowed under federal rules and regulations, the funds provided in this subsection may also be used for training and professional development activities of paraprofessional classroom assistants and certificated staff who work with classroom assistants.

(16) $25,046,000 of the general fund--federal appropriation is provided for the reading first program under Title I of the elementary and secondary education act.

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

NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS
General Fund--State Appropriation (FY 2004) . . . . . . $49,669,000
General Fund--State Appropriation (FY 2005) . . . . . . $51,905,000
General Fund--Federal Appropriation . . . . . . . . . . $46,309,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . $147,883,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) Each general fund fiscal year appropriation includes such funds
as are necessary to complete the school year ending in the fiscal year
and for prior fiscal year adjustments.
(2) The superintendent shall distribute a maximum of $722.91 per
eligible bilingual student in the 2003-04 school year and $722.91 in
the 2004-05 school year, exclusive of salary and benefit adjustments,
if any, provided in section 504 of this act.
(3) The superintendent may withhold up to $700,000 in school year
2003-04 and up to $700,000 in school year 2004-05, and adjust the per
eligible pupil rates in subsection (2) of this section accordingly, for
the central provision of assessments as provided in RCW 28A.180.090 (1)
and (2).
(4) $70,000 of the amounts appropriated in this section is provided
solely to develop a system for the tracking of current and former
transitional bilingual program students.
(5) The general fund--federal appropriation in this section is
provided for migrant education under Title I, Part C and English
language acquisition and language enhancement grants under Title III of
the elementary and secondary education act.

NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM
General Fund--State Appropriation (FY 2004) . . . . . . $65,365,000
General Fund--State Appropriation (FY 2005) . . . . . . $64,027,000
General Fund--Federal Appropriation . . . . . . . . . . $307,178,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . $436,570,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

(b) Funding for school district learning assistance programs shall be allocated at maximum rates of $431.99 per funded unit for the 2003-04 school year and $432.87 per funded unit for the 2004-05 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

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

(d) A school district's general fund--state funded units for the 2003-04 and 2004-05 school years shall be the sum of the following:

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

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

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

(iv) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state
average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent.

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

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

NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM

Student Achievement Fund--State Appropriation (FY 2004) . $210,848,000
Student Achievement Fund--State Appropriation (FY 2005) . $243,851,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . $454,699,000

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

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

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

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

(c) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;
(d) To provide additional professional development for educators including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extend day teaching contracts;

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

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

(2) Funding for school district student achievement programs shall be allocated at a maximum rate of $219.72 per FTE student for the 2003-04 school year and $254.00 per FTE student for the 2004-05 school year. For the purposes of this section and in accordance with RCW 84.52.068, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year.

(3) The office of the superintendent of public instruction shall distribute ten percent of the annual allocation to districts each month for the months of September through June.

NEW SECTION. Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS. State general fund appropriations provided to the superintendent of public instruction for state entitlement programs in the public schools in this part V of this act may be expended as needed by the superintendent for adjustments to apportionment for prior fiscal periods. Recoveries of state general fund moneys from school districts and educational service districts for a prior fiscal period shall be made as reductions in apportionment payments for the current fiscal period and shall be shown as prior year adjustments on apportionment reports for the current period. Such recoveries shall not be treated as revenues to the state, but as a reduction in the amount expended against the appropriation for the current fiscal period.
NEW SECTION.  Sec. 518.  FOR THE STATE BOARD OF EDUCATION

Education Savings Account--State Appropriation . . . . . . $27,000,000
Education Construction Account--State Appropriation . . . $120,165,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $147,165,000

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

(1) $13,500,000 in fiscal year 2004 and $13,500,000 in fiscal year
2005 of the education savings account appropriation shall be deposited
in the common school construction account.

(2) $120,165,000 of the education construction account
appropiation shall be deposited in the common school construction
account.

(End of part)
NEW SECTION.  Sec. 601. The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 603 through 609 of this act.

(2)(a) The salary increases provided or referenced in this subsection shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

(b) For employees under the jurisdiction of chapter 41.56 RCW pursuant to provisions of RCW 28B.16.015 and 28B.50.874(1), salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(c) Each institution of higher education receiving appropriations under sections 604 through 609 of this act may provide salary increases from other sources to instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any salary increase granted under the authority of this subsection (2)(c) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that general fund—state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(c) or under rights granted to award additional compensation with local, nonstate funds under RCW 41.56.203 or chapter 41.76 RCW.
(d) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the department of personnel for inclusion in the department's data warehouse. Uniform reporting procedures shall be established by the department of personnel for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.

(3) The tuition fees, as defined in chapter 28B.15 RCW, charged to full-time students at the state's colleges and universities for the 2003-04 and 2004-05 academic years, other than the summer term, shall be increased or decreased by the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges. Tuition fees may be increased in excess of the fiscal growth factor.

For the 2003-04 academic year the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges may implement an increase no greater than nine percent over tuition fees charged to full-time resident undergraduate students for the 2002-03 academic year.

For the 2004-05 academic year the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges may implement an increase no greater than nine percent over tuition fees charged to full-time resident undergraduate students for the 2003-04 academic year.

If Engrossed Substitute Senate Bill No. 5448 (higher education tuition) is not enacted by June 30, 2003, nine percent shall be the maximum rate of increase in tuition and fees charged to full-time students at state institutions of higher education for the 2003-04 academic year, and for the 2004-05 academic year, over the rates in effect for each student category during the prior academic year.

(4) For the 2003-05 biennium, the state board for community and
technical colleges may increase tuition fees differentially based on student credit hour load at their discretion.

(5) For the 2003–05 biennium, the governing boards and the state board may adjust full-time operating fees for factors that may include time of day and day of week, as well as delivery method and campus, to encourage full use of the state's educational facilities and resources.

(6) For the duration of the 2003–05 biennium, the legislature hereby lowers the limit on total gross authorized operating fees revenue waived, exempted, or reduced by state institutions of higher education pursuant to RCW 28B.15.910 as follows:

(a) University of Washington, 18.9 percent
(b) Washington State University, 18.0 percent
(c) Eastern Washington University, 9.9 percent
(d) Central Washington University, 7.2 percent
(e) Western Washington University, 9.0 percent
(f) The Evergreen State College, 5.4 percent
(g) Community colleges as a whole, 34 percent.

Further, the governing boards and the state board are encouraged to reduce waiver activity in recognition of the need to retain available resources to preserve the educational quality of higher education institutions. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under authority of RCW 28B.15.915.

(7) Pursuant to RCW 43.135.055, institutions of higher education receiving appropriations under sections 603 through 609 of this act are authorized to increase summer term tuition in excess of the fiscal growth factor during the 2003–05 biennium. Tuition levels increased pursuant to this subsection shall not exceed the per credit hour rate calculated from the academic year tuition levels adopted under this act.

(8) Community colleges may increase services and activities fee charges in excess of the fiscal growth factor up to the maximum level authorized by the state board for community and technical colleges.

(9) Each institution receiving appropriations under sections 604 through 609 of this act shall submit a biennial plan to achieve measurable and specific improvements each academic year as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals. The plans, to be
prepared at the direction of the higher education coordinating board, shall be submitted by August 15, 2003. The higher education coordinating board shall set biennial performance targets for each institution and shall review actual achievements annually. Institutions shall track their actual performance on the statewide measures as well as faculty productivity, the goals and targets for which may be unique to each institution. A report on progress towards statewide and institution-specific goals, with recommendations for the ensuing biennium, shall be submitted to the fiscal and higher education committees of the legislature by November 15, 2005.

(10) The state board for community and technical colleges shall develop a biennial plan to achieve measurable and specific improvements each academic year as part of a continuing effort to make meaningful and substantial progress to achieve long-term performance goals. The board shall set biennial performance targets for each college or district, where appropriate, and shall review actual achievements annually. Colleges shall track their actual performance on the statewide measures. A report on progress towards the statewide goals, with recommendations for the ensuing biennium, shall be submitted to the fiscal and higher education committees of the legislature by November 15, 2005.

NEW SECTION. Sec. 602. 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. It is the intent of the legislature that institutions of higher education should adjust their actual enrollment levels to reflect a sustainable alignment with state funding levels. Listed below are the annual full-time equivalent student enrollments by institutions or agency as assumed in this act.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2003-04 Annual Average</th>
<th>2004-05 Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Washington</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main campus</td>
<td>32,427</td>
<td>32,427</td>
</tr>
</tbody>
</table>
Bothell branch 1,235 1,235
Tacoma branch 1,484 1,484

Washington State University

Main campus 17,348 17,364
Spokane branch 593 593
Tri-Cities branch 616 616
Vancouver branch 1,153 1,153

Central Washington University 7,604 7,604
Eastern Washington University 8,017 8,017
The Evergreen State College 3,837 3,837
Western Washington University 11,126 11,126
State Board for Community and Technical Colleges 126,290 126,290
Higher Education Coordinating Board 0 1,050

SEC. 603. FOR THE STATE BOARD FOR COMMUNITY AND
TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2004) . . . . . . . . $495,996,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $493,198,000
Administrative Contingency Account--State

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $993,594,000

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

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

(2) $495,000 of the general fund--state appropriation for fiscal
year 2004 and $1,005,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely to increase salaries and related
benefits for part-time faculty. The board shall report by January 30
of each fiscal year to the office of financial management and
legislative fiscal and higher education committees on (a) the
distribution of state funds; (b) wage adjustments for part-time
faculty; and (c) progress to achieve the long-term performance targets
for each district, with respect to use of part-time faculty, pursuant to the faculty mix study conducted under section 603, chapter 309, Laws of 1999.

(3) $1,155,000 of the general fund--state appropriation for fiscal year 2004 and $2,345,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for faculty salary increments and associated benefits and may be used in combination with salary and benefit savings from faculty turnover to provide salary increments and associated benefits.

(4) $1,000,000 of the general fund--state appropriation for fiscal year 2004 and $1,000,000 of the general fund--state appropriation for fiscal year 2005 are provided for a program to fund the start-up of new community and technical college programs in rural counties as defined under RCW 43.160.020(12) and in communities impacted by business closures and job reductions. Successful proposals must respond to local economic development strategies and must include a plan to continue programs developed with this funding.

(5) $675,000 of the general fund--state appropriation for fiscal year 2004 and $675,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for allocation to Clark Community College and Lower Columbia Community College to prepare a total of 168 full-time equivalent students for transfer to the engineering and science institute at the Vancouver branch campus of Washington State University. The appropriations in this section are intended to supplement, not supplant, general enrollment allocations by the board to districts named in this subsection.

(6) $640,000 of the general fund--state appropriation for fiscal year 2004 and $640,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for allocation to twelve college districts identified in (a) through (l) of this subsection to prepare students for transfer to the state technology institute at the Tacoma branch campus of the University of Washington. The appropriations in this section are intended to supplement, not supplant, general enrollment allocations by the board to the districts under (a) through (l) of this subsection:

(a) Bates Technical College;
(b) Bellevue Community College;
(c) Centralia Community College;
(d) Clover Park Community College;
(e) Grays Harbor Community College;
(f) Green River Community College;
(g) Highline Community College;
(h) Tacoma Community College;
(i) Olympic Community College;
(j) Pierce District;
(k) Seattle District; and
(l) South Puget Sound Community College.

(7) $28,761,000 of the general fund--state appropriation for fiscal year 2004 and $28,761,000 of the general fund--state appropriation for fiscal year 2005 are provided solely as special funds for training and related support services, including financial aid, as specified in chapter 226, Laws of 1993 (employment and training for unemployed workers). Funding is provided to support up to 6,200 full-time equivalent students in each fiscal year.

(8) $1,000,000 of the general fund--state appropriation for fiscal year 2004 and $1,000,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for tuition support for students enrolled in work-based learning programs.

(9) $4,150,000 of the administrative contingency account--state appropriation is provided solely for administration and customized training contracts through the job skills program, which shall be made available broadly and not to the exclusion of private nonprofit baccalaureate degree granting institutions or vocational arts career schools operating in Washington state who partner with a firm, hospital, group, or industry association concerned with commerce, trade, manufacturing, or the provision of services to train current or prospective employees. The state board shall make an annual report to the governor and appropriate policy and fiscal committees of the legislature regarding the implementation of this section listing the scope of grant awards, the distribution of funds by educational sector and region of the state, as well as successful partnerships being supported by these state funds.

(10) $250,000 of the administrative contingency account--state appropriation is provided solely and on a one-time basis to start up a college district consortium organized under the name "alliance for
corporate education." Financial operations shall be self-sustaining by no later than June 30, 2005, after which time any amount remaining unexpended from this amount shall lapse.

(11) $2,540,000 of the general fund--state appropriation for fiscal year 2004 and $2,540,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for 250 full-time equivalent students in high-demand fields and programs where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings. In allocating these instructional resources, the state board may apply a portion of the amount provided in this subsection towards the development of new direct transfer agreements. Allocation of FTE enrollments to college districts shall be granted principally to those preparing students for careers in (a) nursing, dentistry, and other health services; (b) teaching; (c) computing and information technology; (d) applied science and engineering; and (e) viticulture and enology. All districts that receive a high-demand enrollment allocation from the state board must evidence work that fosters collaboration and eases the prospect for articulation across educational sectors for students who have or will participate in high-demand fields and programs supported by the state. The state board shall report on implementation of this section by November of each fiscal year to both the governor and the appropriate policy and fiscal committees of the legislature.

(12) $111,000 of the general fund--state appropriation for fiscal year 2004 and $86,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to support the development of a comprehensive viticulture (grape growing) and enology (wine making) higher education program in Washington state. From these sums, the state board shall allocate:

(a) $75,000 a year to Walla Walla community college for its associate science and associate arts degree programs for the purpose of vineyard and wine-making equipment purchases, student labor, instructional supplies, field work, and travel expenses;

(b) $25,000 on a one-time basis to Wenatchee community college for the purpose of adapting its orchard employee educational program; and

(c) $22,000 on a one-time basis to Yakima Valley community college for the purpose of vineyard and wine-making equipment and supply purchases.
The college districts named in this subsection are encouraged to seek a portion of the high-demand student enrollment funding made available on a competitive basis through the state board or the higher education coordinating board to fill-out their respective need for additional instructors and professional staff.

(13) $50,000 of the general fund--state appropriation for fiscal year 2004 and $50,000 of the general fund--state appropriation for fiscal year 2005 are solely for higher education student child care matching grants under chapter 28B.135 RCW.

(14) $212,000 of the general fund--state appropriation for fiscal year 2004 and $212,000 of the general fund--state appropriation for fiscal year 2005 are provided for allocation to Olympic college. The college shall contract with accredited baccalaureate institution(s) to bring a program of upper-division courses to Bremerton. The state board for community and technical colleges shall report to the office of financial management and the fiscal and higher education committees of the legislature on the implementation of this subsection by December 1st of each fiscal year.

NEW SECTION.  Sec. 604.  FOR UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2004) . . . . . . $307,932,000
General Fund--State Appropriation (FY 2005) . . . . . . $299,951,000
Death Investigations Account--State Appropriation . . . . . . $255,000
Accident Account--State Appropriation . . . . . . . . . $5,767,000
Medical Aid Account--State Appropriation . . . . . . . . . $5,797,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $619,702,000

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

(1) $1,875,000 of the general fund--state appropriation for fiscal year 2004 and $1,875,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for technology education in the form of an institute located at the University of Washington, Tacoma. The university will continue to provide undergraduate and graduate degree programs that focus and respond to regional technology needs of employers and enrolled students including, but not limited to, computing and software systems. As a condition of these appropriations:
(a) The university will work with the state board for community and technical colleges, or individual colleges where necessary, to establish articulation agreements in addition to the existing associate of arts and associate of science transfer degrees. Such agreements shall improve the transferability of students and in particular, students with substantial applied information technology credits.

(b) The university will establish performance measures for recruiting, retaining, and graduating students, including nontraditional students, and report to the governor and legislature by September 2004 as to its progress and future steps.

(2) $150,000 of the general fund--state appropriation for fiscal year 2004 and $150,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for research faculty clusters in the advanced technology initiative program.

(3) $255,000 of the death investigations account appropriation is provided solely for the forensic pathologist fellowship program.

(4) $150,000 of the general fund--state appropriation for fiscal year 2004 and $150,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the implementation of the Puget Sound work plan and agency action item UW-01.

(5) $75,000 of the general fund--state appropriation for fiscal year 2004 and $75,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the Olympic natural resource center.

(6) $1,526,000 of the general fund--state appropriation for fiscal year 2004 and $3,096,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

NEW SECTION. Sec. 605. FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2004) . . . . . . . $182,712,000
1 General Fund--State Appropriation (FY 2005) ........ $180,136,000
2 Washington State University Building Account--State
3 Appropriation ........................................... $150,000
4 TOTAL APPROPRIATION ............................... $362,998,000
5
6 The appropriations in this section are subject to the following conditions and limitations:
7 (1) $245,000 of the general fund--state appropriation for fiscal year 2004 and $734,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to expand the entering class of veterinary medicine students by 16 full-time equivalent residents each academic year during the 2003-05 biennium.
8 (2) $657,000 of the general fund--state appropriation for fiscal year 2004, $180,000 of the general fund--state appropriation for fiscal year 2005, and the entire Washington state university building account appropriation are provided solely to support the development of a comprehensive viticulture (grape growing) and enology (wine making) higher education program in Washington state. In consideration of these appropriations, the legislature intends to provide ongoing support of not less than $180,000 a year for extension field personnel and services. The balance of the amount provided from the fiscal year 2004 appropriation is provided on a one-year basis to enable the university to appoint jointly shared faculty between the Pullman main campus and its branch campus in the TriCities. The legislature expects the university to meet ongoing faculty, staff, and related expenses to support the delivery of baccalaureate degree programs in viticulture and enology by making a successful bid for a portion of high-demand enrollment funding that will be distributed on a competitive basis by the state higher education coordinating board for student instruction during the 2004-05 academic year under section 610(4) of this act.
9 (3) $675,000 of the general fund--state appropriation for fiscal year 2004 and $675,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for allocation in full to the branch campus in Vancouver to create and operate a state institute for engineering and science in partnership with Clark and Lower Columbia community colleges and regional industry leaders in southwest Washington. As a condition of this appropriation, the university shall develop and provide to the satisfaction of the office of financial management a business plan for the new institute. The university,
together with its two-year college and industry partners, shall provide
the governor, legislature, and state higher education coordinating
board with an annual summary of its progress to produce more graduates
trained in applied science technologies and engineering. Annual
reports to inform and advise policymakers of the partners' success,
emerging issues, and resource needs if any shall occur by no later than
November 15 during the 2003-05 biennium.

(4) $150,000 of the general fund--state appropriation for fiscal
year 2004 and $150,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for research faculty clusters in
the advanced technology initiative program.

(5) $165,000 of the general fund--state appropriation for fiscal
year 2004 and $166,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the implementation of the
Puget Sound work plan and agency action item WSU-01.

(6) $949,000 of the general fund--state appropriation for fiscal
year 2004 and $1,927,000 of general fund--state appropriation for
fiscal year 2005 are provided solely for competitively offered
recruitment and retention salary adjustments for instructional and
research faculty, exempt professional staff, academic administrators,
academic librarians, counselors, teaching and research assistants, as
classified by the office of financial management, and all other
nonclassified staff, but not including employees under RCW 28B.16.015.
Tuition revenues may be expended in addition to those required by this
section to further provide recruitment and retention salary
adjustments.

NEW SECTION. Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY
General Fund--State Appropriation (FY 2004) . . . . . . . . $40,718,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $39,607,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . $80,325,000

The appropriations in this section are subject to the following
conditions and limitations: $248,000 of the general fund--state
appropriation for fiscal year 2004 and $503,000 of general fund--state
appropriation for fiscal year 2005 are provided solely for
competitively offered recruitment and retention salary adjustments for
instructional and research faculty, exempt professional staff, academic
administrators, academic librarians, counselors, teaching and research

assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

NEW SECTION. Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $39,784,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $39,230,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $79,014,000

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

(1) $1,050,000 of the general fund--state appropriation for fiscal year 2004 and $1,050,000 of the general fund--state appropriation for fiscal year 2005 are provided to expand university enrollment by 134 full-time equivalent undergraduate students.

(2) $206,000 of the general fund--state appropriation for fiscal year 2004 and $418,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

NEW SECTION. Sec. 608. FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2004) . . . . . . . . . . $22,363,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . $21,383,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $43,746,000

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

(1) $124,000 of the general fund--state appropriation for fiscal year 2004 and $252,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic
librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

(2) $75,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for the institute for public policy to examine and report to the legislature by November 15, 2003, on potential enrollment levels, costs, and offsetting savings of alternative approaches for providing prescription drug benefits under a waiver of federal rules for low-income, elderly, and disabled residents who would not otherwise qualify for Medicaid.

(3) $25,000 of the general fund--state appropriation for fiscal year 2004 and $25,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the institute for public policy to conduct the evaluation outlined in Substitute Senate Bill No. 5012 (charter schools).

(4) $26,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for the Washington state institute for public policy to develop adherence and outcome standards for measuring the effectiveness of treatment programs referred to in Engrossed Second Substitute Senate Bill No. 5903 (juvenile offender sentencing). The standards shall be developed and presented to the governor and legislature by no later than January 1, 2004.

(5) $12,000 of the general fund--state appropriation for fiscal year 2004 and $12,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the Washington state institute for public policy to examine the results of the changes in earned release under Engrossed Substitute Senate Bill No. 5990 (changing times and supervision standards for release of offenders). The study shall determine whether the changes in earned release affect the rate of recidivism or the type of offenses committed by persons whose release dates were affected by the changes under the bill. The institute shall report its findings to the governor and appropriate committees of the legislature by no later than December 1, 2008.

NEW SECTION. Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2004) ........... $53,342,000
General Fund--State Appropriation (FY 2005) .................. $51,914,000
TOTAL APPROPRIATION ................. $105,256,000

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

1. $980,400 of the general fund--state appropriation for fiscal year 2004 and $980,400 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operations of the North Snohomish, Island, Skagit (NSIS) higher education consortium.

2. $248,000 of the general fund--state appropriation for fiscal year 2004 and $503,000 of general fund--state appropriation for fiscal year 2005 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

NEW SECTION. Sec. 610. FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2004) .................. $2,493,000
General Fund--State Appropriation (FY 2005) .................. $17,271,000
General Fund--Federal Appropriation .................. $642,000
Higher Education Agency Account--Local Appropriation ........ $284,000
TOTAL APPROPRIATION .................. $20,690,000

The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

1. $175,000 of the general fund--state appropriation for fiscal year 2004 and $175,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to continue a demonstration project to improve rural access to post-secondary education by matching students up with distance learning technologies and education providers in Jefferson County. The board shall examine the feasibility and provide the governor and legislature with a report by July of 2004,
that outlines how the state might proceed to transfer this experience
and replicate or test an alternative model in another region of the
state.

(2) $173,000 of the general fund--state appropriation for fiscal
year 2004, $122,000 of the general fund--state appropriation for fiscal
year 2005, and the entire higher education agency account--local
appropriation, are provided to meet the student petition requirements
assigned to the board pursuant to Engrossed Second Substitute Senate
Bill No. 5135 (creating tuition surcharge). If the bill is not enacted
by June 30, 2003, the amounts provided in this subsection shall lapse.

(3) Within the appropriations provided in this section, funds are
provided to continue the teacher training pilot pursuant to chapter
28B.80 RCW until standing authority for this program expires as
scheduled on January 1, 2005.

(4) $85,000 of the general fund--state appropriation for fiscal
year 2004 and $14,995,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely to contract for 1,050 full-time
equivalent students in high-demand fields in fiscal year 2005. High-
demand fields are programs where enrollment access is limited and
employers are experiencing difficulty finding qualified graduates to
fill job openings. Of the amounts provided, a reasonable amount may be
used for management of the competitive process for awarding high-demand
student FTEs.

(a) The board will manage a competitive process for awarding high-
demand student FTEs. Any two- or four-year post-secondary institution
may apply however, in all cases, a public or nonprofit, accredited
educational corporation or institution based in Washington shall serve
as the grant-recipient of record and participate with the private
independent or proprietary school in curriculum planning and its
execution. Priority will go to competitive proposals that include
cooperative partnerships and articulation agreements.

(b) Among coequals, the board shall make it a priority to fund
proposals that prepare students for careers in (i) nursing, dentistry,
and other health services; (ii) teaching; (iii) computing and
information technology; (iv) applied science and engineering; (v)
viticulture and enology, but not to the exclusion of compelling
proposals that document specific regional student and employer demand
in fields not listed in this subsection. Proposals and grant awards will separately identify one-time, nonrecurring costs and ongoing costs.

(c) The board will establish a proposal review committee that will include representatives from the board, the office of financial management, out-of-state higher education institutions or associations, western interstate commission on higher education, and economic development and labor market analysts. The board will develop the request for proposals, including the criteria for awarding grants, in consultation with the proposal review committee.

(d) Colleges and universities that receive grants shall provide the board and the forecast division of the office of financial management with data specified by the board or the office of financial management that shows the impact of this subsection, particularly the degree of improved access to high-demand programs for students and successful job placements for graduates. During the 2003-05 biennium, the board will prepare an annual report on the impact of this subsection and provide it to the office of financial management and the fiscal and higher education committees of the legislature by November 1 for the prior academic year.

NEW SECTION.  Sec. 611. FOR THE HIGHER EDUCATION COORDINATING BOARD—FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . . $146,907,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $159,100,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $7,534,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . $313,541,000

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

(1) $259,000 of the general fund--state appropriation for fiscal year 2004 and $273,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the western interstate commission for higher education.

(2) $1,100,000 of the general fund--state appropriation for fiscal year 2004 and $1,100,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the health professional conditional scholarship and loan program under chapter 28B.115 RCW.
This amount shall be deposited to the health professional loan repayment and scholarship trust fund to carry out the purposes of the program.

(3) $75,000 of the general fund--state appropriation for fiscal year 2004 and $75,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(4) $25,000 of the general fund--state appropriation for fiscal year 2004 and $25,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the benefit of students who participate in college assistance migrant programs (CAMP) operating in Washington state. To ensure timely state aid, the board may establish a date after which no additional grants would be available for the 2003-04 and 2004-05 academic years. The board shall disperse grants in equal amounts to eligible post-secondary institutions so that state money in all cases supplements federal CAMP awards.

(5) $113,212,000 of the general fund--state appropriation for fiscal year 2004 and $125,193,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the state need grant program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program.

(6) $17,048,000 of the general fund--state appropriation for fiscal year 2004 and $17,048,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the state work study program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state work study program may be transferred to the state need grant program. In addition to the administrative allowance in subsection (12) of this section, four percent of the general fund--state amount in this subsection may be expended for state work study program administration.

(7) $2,867,000 of the general fund--state appropriation for fiscal year 2004 and $2,867,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for educational opportunity grants. The board may deposit sufficient funds from its appropriation into the state education trust fund as established in RCW 28B.10.821 to provide a one-year renewal of the grant for each new recipient of the educational opportunity grant award. Unless otherwise provided by the
enactment of Engrossed Senate Bill No. 5676 or Substitute House Bill No. 1731 by June 30, 2003, and for the purpose of establishing eligibility for the equal opportunity grant program for placebound students under RCW 28B.101.020, Thurston county lies within the branch campus service area of the Tacoma branch campus of the University of Washington.

(8) $1,957,000 of the general fund--state appropriation for fiscal year 2004 and $2,231,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement the Washington scholars program. Any Washington scholars program moneys not awarded by April 1st of each year may be transferred by the board to the Washington award for vocational excellence.

(9) $808,000 of the general fund--state appropriation for fiscal year 2004 and $875,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Washington award for vocational excellence program. Any Washington award for vocational program moneys not awarded by April 1st of each year may be transferred by the board to the Washington scholars program.

(10) $246,000 of the general fund--state appropriation for fiscal year 2004 and $246,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for community scholarship matching grants of $2,000 each. To be eligible for the matching grant, a nonprofit community organization organized under section 501(c)(3) of the internal revenue code must demonstrate that it has raised $2,000 in new moneys for college scholarships after the effective date of this act. An organization may receive more than one $2,000 matching grant and preference shall be given to organizations affiliated with the citizens' scholarship foundation.

(11) Subject to state need grant service requirements pursuant to chapter 28B.119 RCW, $6,050,000 of the general fund--state appropriation for fiscal year 2004 and $6,050,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the Washington promise scholarship program.

(12) $2,721,000 of the general fund--state appropriation for fiscal year 2004 and $2,577,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for financial aid administration, in addition to the four percent cost allowance provision for state work study under subsection (6) of this section. These funds are provided
to administer all the financial aid and grant programs assigned to the
board by the legislature and administered by the agency. To the extent
the executive director finds the agency will not require the full sum
provided in this subsection, a portion may be transferred to supplement
financial grants-in-aid to eligible clients after notifying the board
and the office of financial management of the intended transfer.

(13) $539,000 of the general fund--state appropriation for fiscal
year 2004 and $540,000 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the displaced homemakers
program.

NEW SECTION.  Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION
COORDINATING BOARD
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . . . $1,682,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . . . $1,640,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . $53,796,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $57,118,000

The appropriations in this section are subject to the following
conditions and limitations: $485,000 of the general fund--state
appropriation for fiscal year 2004 and $485,000 of the general fund--
state appropriation for fiscal year 2005 are provided solely for the
operations and development of the inland northwest technology education
center (INTEC) as a regional resource and model for the rapid
deployment of skilled workers trained in the latest technologies for
Washington. The board shall serve as an advisor to and fiscal agent
for INTEC, and will report back to the governor and legislature by
September 2004 as to the progress and future steps for INTEC.

NEW SECTION.  Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH
AND TECHNOLOGY INSTITUTE
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . . . $1,404,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . . . $1,415,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $2,819,000

NEW SECTION.  Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . . . . $1,718,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . . . . $1,725,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . $1,026,000
### For the Washington State Historical Society

**Sec. 615.**

<table>
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<th>Fiscal Year</th>
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<tr>
<td>FY 2004</td>
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### For the Eastern Washington State Historical Society

**Sec. 616.**

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<tr>
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### For the State School for the Blind

**Sec. 617.**

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<th>Fiscal Year</th>
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<tr>
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### For the State School for the Deaf

**Sec. 618.**

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<td>Private/Local</td>
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<td><strong>Total</strong></td>
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(End of part)
NEW SECTION. Sec. 701. 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) . . . . . . . . . . . $580,312,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . $627,938,000
State Building Construction Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $7,014,000
State Taxable Building Construction Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $322,000
Debt-Limit Reimbursable Bond Retirement Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $2,587,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $1,218,173,000

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.

NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $29,014,000
Accident Account--State Appropriation . . . . . . . . . . . . . . . . . . $5,113,000
Medical Aid Account--State Appropriation . . . . . . . . . . . . . . . . . $5,113,000
  TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $39,240,000

NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2004) . . . . . . . . . . . $26,394,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . $24,805,000
Higher Education Construction Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $238,000
State Vehicle Parking Account--State Appropriation . . . . . . . . . $102,000
Capital Historic District Construction Account--State
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<td>Nondebt-Limit Reimbursable Bond Retirement Account--</td>
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<tr>
<td>State Appropriation</td>
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<td>TOTAL APPROPRIATION</td>
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The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the nondebt-limit general fund bond retirement account.

**NEW SECTION.** Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

| General Fund--State Appropriation (FY 2004) | $526,000 |
| General Fund--State Appropriation (FY 2005) | $526,000 |
| Higher Education Construction Account--State Appropriation | $35,000 |
| Education Construction Account--State Appropriation | $1,000,000 |
| State Vehicle Parking Account--State Appropriation | $17,000 |
| State Building Construction Account--State Appropriation | $2,032,000 |
| Capital Historic District Construction Account--State Appropriation | $45,000 |
| State Taxable Building Construction Account--State Appropriation | $50,000 |
| TOTAL APPROPRIATION | $4,231,000 |

**NEW SECTION.** Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND

| General Fund--State Appropriation (FY 2004) | $850,000 |
| General Fund--State Appropriation (FY 2005) | $850,000 |
| TOTAL APPROPRIATION | $1,700,000 |

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for the governor's emergency fund for the critically necessary work of any agency.

**NEW SECTION.** Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL. The sum of $4,000,000 is appropriated from the
disaster response account for the purpose of making allocations to the
military department for fire mobilizations costs or to the department
of natural resources for fire suppression costs.

NEW SECTION. Sec. 707. AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT,
AND PERSONAL SERVICE CONTRACTS. The office of financial management
shall reduce allotments for all agencies for personal service
contracts, equipment, and travel by $20,151,000 from 2003-05 biennial
general fund appropriations in this act to reflect the elimination of
expenditures identified in LEAP document 32, a computerized tabulation
developed by the legislative evaluation and accountability program
committee on April 2, 2003. The general fund allotment reduction shall
be placed in unallotted status and remain unexpended.

NEW SECTION. Sec. 708. AGENCY EXPENDITURES FOR LEGISLATIVE
LIAISONS. During the 2003-05 fiscal biennium, no state agency or
institution may expend any moneys appropriated in this act to employ
legislative liaisons or contract for legislative liaisons. However,
each independently elected statewide official may employ one FTE
legislative liaison during the 2003-05 fiscal biennium. The office of
financial management shall reduce allotments for agencies by $3,257,000
from 2003-05 biennial general fund appropriations in this act to
reflect the elimination of the expenditures identified in LEAP document
33, a computerized tabulation developed by the legislative evaluation
and accountability program committee on April 2, 2003. The general
fund allotment reduction shall be placed in unallotted status and
remain unexpended.

State funds provided in Part V of this act may not be expended by
or for any organization, association, or other entity attempting to
influence the passage or defeat of any legislation by the legislature
of the state of Washington.

NEW SECTION. Sec. 709. AGENCY EXPENDITURES FOR TORT LIABILITY.
The office of financial management shall reduce allotments for all
agencies by $18,000,000 from 2003-05 biennial general fund
appropriations in this act to reflect the reduction in state tort
liability under Senate Bill No. 5728 or 5999. The general fund
Sec. 710. 2003 c . . . (SSB 5403) s 707 (uncodified) is amended to read as follows:

STATE EMPLOYMENT. (1) From the effective date of this act until the conclusion of the fiscal biennium ending June 30, 2003, and consistent with the governor's Executive Directive No. 02-04, state agencies of the executive branch shall not establish new staff positions except as specifically authorized by this supplemental appropriations act or fill vacant existing staff positions except as specifically authorized by this section.

(2) Public safety agencies may fill two-thirds of staff positions becoming vacant; all other agencies may fill two-fifths of vacant positions. In filling vacant positions pursuant to this subsection, agencies shall place the highest priority on front-line positions engaged in service delivery to the public.

(3) Exceptions to subsections (1) and (2) of this section may be granted only by the governor and only for critical or emergent situations that threaten public health or safety, as determined by the governor. The governor shall notify the legislative fiscal committees within ten days of the granting of any exception under this subsection.

(4) This section applies to all agencies of the executive branch, including all boards, commissions, and agencies headed by elected officials. This section does not apply to the institutions of higher education and state institutional programs. This section does not apply to the filling of temporary, seasonal positions by the following agencies: The department of natural resources, the department of fish and wildlife, the department of agriculture, the department of ecology, and the state parks and recreation commission. It is the intent of the legislature that agencies of the legislative and judicial branches of state government shall also observe the employment policies established by this section, subject to such procedures as may be adopted by the legislative and judicial branches, respectively.

NEW SECTION. Sec. 711. SUNDRY CLAIMS. The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals,
firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of financial management, except as otherwise provided, as follows:

(1) Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110:
   (a) Kelly C. Schwartz, claim number SCJ 03-10 . . . . . . . . $18,250

(2) Payment from the state wildlife account for damage to crops by wildlife, pursuant to RCW 77.36.050:
   (a) Circle S Landscape Supplies, claim number SCG 03-05 . $49,379
   (b) Marilyn Lund Farms, claim number SCG 03-08 . . . . . . . $17,175
   (c) Paul Gibbons, claim number SCG 03-09 . . . . . . . . . $12,414

(3) Reimbursement of legal costs, Building Industry Association of Washington, claim number SCO 03-26 . . . . . . . . . . . . . . . $45,912

NEW SECTION. Sec. 712. BELATED CLAIMS. The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION. Sec. 713. COMPENSATION--INSURANCE BENEFITS.

General Fund--State Appropriation (FY 2004) . . . . . . . . $4,606,000
General Fund--Federal Appropriation (FY 2005) . . . . . . . . $29,546,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $7,012,000
General Fund--Private/Local Appropriation . . . . . . . . . . . $773,000
Salary and Insurance Increase Revolving Account
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $22,174,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $64,111,000

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

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $495.30 per eligible employee for fiscal year 2004, and $567.67 for fiscal year 2005.

(b) Within the rates in (a) of this subsection, $4.13 per eligible employee shall be included in the employer funding rate for fiscal year 2004, and $2.11 per eligible employee shall be included in the employer funding rate for fiscal year 2005, solely to increase life insurance
coverage in accordance with a court approved settlement in Burbage et al. v. State of Washington (Thurston county superior court cause no. 94-2-02560-8).

(c) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special fund salary and insurance contribution increase revolving fund in accordance with schedules provided by the office of financial management.

(3) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for parts A and B of medicare, pursuant to RCW 41.05.085. From January 1, 2004, through December 31, 2004, the subsidy shall be $102.03. Starting January 1, 2005, the subsidy shall be $115.49 per month.

(4) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $42.75 per month beginning September 1, 2003, and $48.92 beginning September 1, 2004;

(b) For each part-time employee who, at the time of the remittance, is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $42.75 each month beginning September 1, 2003, and
$48.92 beginning September 1, 2004, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives.

The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

(5) The salary and insurance increase revolving account appropriation includes amounts sufficient to fund health benefits for ferry workers at the premium levels specified in subsection (1) of this section, consistent with the 2003-2005 transportation appropriations act.

NEW SECTION. Sec. 714. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--
CONTRIBUTIONS TO RETIREMENT SYSTEMS. The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and fire fighters' retirement system:
General Fund--State Appropriation (FY 2004) . . . . . . . $21,171,000
General Fund--State Appropriation (FY 2005) . . . . . . . $20,829,000

(2) There is appropriated for contributions to the judicial retirement system:
General Fund--State Appropriation (FY 2004) . . . . . . . $6,000,000
General Fund--State Appropriation (FY 2005) . . . . . . . $6,000,000

(3) There is appropriated for contributions to the judges retirement system:
General Fund--State Appropriation (FY 2004) . . . . . . . $500,000
General Fund--State Appropriation (FY 2005) . . . . . . . $500,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $55,000,000

NEW SECTION. Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
CONTRIBUTIONS TO RETIREMENT SYSTEMS
General Fund--State Appropriation (FY 2004) . . . . . . . $674,000
New Section. Sec. 716. For the Office of Financial Management—
Pension Contribution Adjustments

General Fund--State Appropriation (FY 2004) ........ $(10,524,000)
General Fund--State Appropriation (FY 2005) ........ $(10,618,000)
Projected Unit Credit Offset Account Appropriation .... $(13,696,000)
TOTAL APPROPRIATION ................................ $(34,838,000)

The appropriations in this section are subject to the following conditions and limitations:
(1) The appropriations in this section are provided solely to make adjustments to agency appropriations to reflect savings resulting from the adoption of the projected unit credit actuarial funding method for plans 2 and 3 of the public employees', teachers', and school employees' retirement systems as provided in Senate Bill No. 6029 (funding PERS, TERS, and SERS). If the bill is not enacted by June 30, 2003, the amount provided in this section shall lapse.
(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the projected unit credit offset account, hereby created in the state treasury, in accordance with schedules provided by the office of financial management.

New Section. Sec. 717. For the Office of Financial Management—
Education Technology Revolving Account

General Fund--State Appropriation (FY 2004) .......... $10,468,000
General Fund--State Appropriation (FY 2005) .......... $10,468,000
The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is for appropriation to the education technology revolving account for the purpose of covering operational and transport costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

NEW SECTION. Sec. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT--REVOLVING FUND ADJUSTMENTS

General Fund--State Appropriation (FY 2004) $3,350,000
General Fund--State Appropriation (FY 2005) $3,350,000
Revolving Fund Revolving Account Appropriation $2,792,000
TOTAL APPROPRIATION $9,492,000

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

(1) The appropriations in this section are provided solely to make adjustments to agency revolving fund assessments for internal services to reflect policy changes made to the governor's proposed omnibus appropriations act. Policy changes include increased appropriations for legal and archival services ($1,400,000 each), the restoration of the office of minority and women's business enterprises ($2,400,000), and the cancellation of the governor's proposed merger of the department of personnel and the department of retirement systems ($5,300,000).

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the revolving fund revolving account, hereby created in the state treasury, in accordance with schedules provided by the office of financial management.

NEW SECTION. Sec. 719. INCENTIVE SAVINGS--FY 2004. The sum of one hundred million dollars or so much thereof as may be available on June 30, 2004, from the total amount of unspent fiscal year 2004 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million
dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings. (2) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

NEW SECTION. Sec. 720. INCENTIVE SAVINGS--FY 2005. The sum of one hundred million dollars or so much thereof as may be available on June 30, 2005, from the total amount of unspent fiscal year 2005 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section. (1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings. (2) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

NEW SECTION. Sec. 721. FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE
Health Services Account--State Appropriation . . . . . . $48,000,000

The appropriation in this section is subject to the following conditions and limitations: The director of the department of health shall distribute the appropriation as follows: $48,000,000 is provided to the department of health to support protection and improvement of the public's health and to increase the efficiency and effectiveness of the public health system. Funds will be provided to local public health departments and districts through performance-based contracts to help attain the standards for public health and to implement the recommendations of the public health improvement plan. A monitoring and reporting mechanism will be established to demonstrate progress toward these goals.

NEW SECTION. Sec. 722. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE
General Fund--State Appropriation (FY 2003) . . . . . . . . $1,500,000
General Fund--Federal Appropriation (FY 2003) . . . . . . . . $1,500,000
The appropriations in this section are subject to the following conditions and limitations: The director of community, trade, and economic development shall distribute the appropriations in this section to the following counties in the amounts designated:

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<th>2005</th>
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</thead>
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<td>TOTAL</td>
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NEW SECTION. Sec. 723. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--MUNICIPAL ASSISTANCE

The appropriation in this section is subject to the following conditions and limitations: The director of community, trade, and economic development shall distribute the appropriation in this section to the following cities in the amounts designated:

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<tr>
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<tr>
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<tr>
<td>Asotin</td>
<td>$10,000</td>
</tr>
<tr>
<td>Benton City</td>
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</tr>
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</table>
1. Black Diamond $18,000
2. Bridgeport $68,000
3. Brier $129,000
4. Bucoda $15,000
5. Carbonado $15,000
6. Cashmere $13,000
7. Cheney $19,000
8. Chewelah $1,000
9. Colfax $1,000
10. College Place $138,000
11. Colton $5,000
12. Conconully $4,000
13. Concrete $1,000
14. Connell $27,000
15. Coulee Dam $6,000
16. Covington $117,000
17. Creston $2,000
18. Cusick $750
19. Darrington $6,000
20. Davenport $4,000
21. Dayton $1,000
22. Des Moines $161,000
23. Edgewood $272,000
24. Electric City $27,000
25. Elma $2,000
26. Elmer City $11,000
27. Endicott $10,000
28. Entiat $10,000
29. Everson $5,000
30. Fairfield $1,000
31. Farmington $3,000
32. Fircrest $50,000
33. Forks $5,000
34. Garfield $12,000
35. George $2,000
36. Gold Bar $29,000
37. Grandview $15,000
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<td>Hoquiam</td>
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<tr>
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<td>Ione</td>
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<td>Kahlotus</td>
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<td>Kenmore</td>
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<td>Moxee</td>
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<td>37</td>
<td>Nespelem</td>
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1 Newcastle $2,000
2 Nooksack $13,000
3 Normandy Park $82,000
4 North Bonneville $2,000
5 Northport $7,000
6 Oakesdale $3,000
7 Oakville $7,000
8 Orting $12,000
9 Palouse $7,000
10 Pateros $1,000
11 Pe Ell $20,000
12 Pomeroy $3,000
13 Prescott $1,000
14 Pullman $21,000
15 Rainier $27,000
16 Raymond $750
17 Reardan $8,000
18 Republic $1,000
19 Riverside $7,000
20 Rock Island $6,000
21 Rockford $2,000
22 Rosalia $6,000
23 Roslyn $11,000
24 Royal City $12,000
25 Ruston $8,000
26 Sammamish $320,000
27 Shoreline $65,000
28 Soap Lake $19,000
29 South Bend $5,000
30 South Cle Elum $11,000
31 South Prairie $2,000
32 Sprague $1,000
33 Springdale $1,000
34 Starbuck $3,000
35 Steilacoom $19,000
36 Tekoa $5,000
37 Tenino $7,000
<table>
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<th>Amount</th>
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<td>Vader</td>
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</tr>
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<td>Wapato</td>
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<td>8</td>
<td>Warden</td>
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<td>Washtucna</td>
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<tr>
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<td>White Salmon</td>
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<td>Wilbur</td>
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<td>Wilkeson</td>
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<td>16</td>
<td>Wilson Creek</td>
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<td>17</td>
<td>Yacolt</td>
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<tr>
<td>18</td>
<td>Zillah</td>
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</tr>
<tr>
<td>19</td>
<td><strong>TOTAL</strong></td>
<td><strong>$3,500,000</strong></td>
</tr>
</tbody>
</table>

(End of part)
PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION.  Sec. 801. FOR THE STATE TREASURER--STATE REVENUES
FOR DISTRIBUTION
General Fund Appropriation for fire insurance premium
  distributions ........................................ $8,920,350
General Fund Appropriation for public utility district
  excise tax distributions .......................... $39,273,684
General Fund Appropriation for prosecuting attorney
  distributions ....................................... $3,441,197
General Fund Appropriation for boating safety and
  education distributions .......................... $4,074,300
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
Impaired Driver Safety Account Appropriation for
  distribution ....................................... $3,160,837
County Criminal Justice Assistance Appropriation ....... $52,175,755
Municipal Criminal Justice Assistance Appropriation .... $21,086,550
Liquor Excise Tax Account Appropriation for liquor
  excise tax distribution ........................... $32,624,831
Liquor Revolving Account Appropriation for liquor
  profits distribution ............................. $57,511,693
                       TOTAL APPROPRIATION .............. $275,806,908

The total expenditures from the state treasury under the
appropriations in this section shall not exceed the funds available
under statutory distributions for the stated purposes.

NEW SECTION.  Sec. 802. FOR THE STATE TREASURER--FOR THE MUNICIPAL
CRIMINAL JUSTICE ASSISTANCE ACCOUNT
Impaired Driving Safety Account Appropriation ........ $1,228,840
The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2003-2005 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 803. FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driving Safety Account Appropriation . . . . . . . $1,843,260

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2003-2005 biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES
FOR DISTRIBUTION

General Fund Appropriation for federal grazing fees
distributions ........................................ $1,293,828
General Fund Appropriation for federal flood control
funds distribution .................................... $25,050
Federal Forest Revolving Fund Appropriation for
federal forest reserve fund distribution ........ $83,492,373

The total expenditures from the state treasury under the
appropriations in this section shall not exceed the funds available
under statutory distributions for the stated purposes.

NEW SECTION. Sec. 805. FOR THE STATE TREASURER--TRANSFERS

For transfers in this section to the state general fund, pursuant
to RCW 43.135.035(5), the state expenditure limit shall be increased by
the amount of the transfer. The increase shall occur in the fiscal
year in which the transfer occurs.

General Fund: For transfer to the water
quality account ..................................... $36,651,600
Water Quality Account: For transfer to the
water pollution control account .............. $10,500,000
State Convention and Trade Center Account:
For transfer to the state general fund .......... $10,000,000
County Sale/Use Tax Equalization Account:
For transfer to the state general fund .......... $74,000
Financial Services Regulation Fund: For
transfer to the state general fund at
the beginning of fiscal year 2005 ............... $1,632,000
Municipal Sale/Use Tax Equalization Account:
For transfer to the state general fund .......... $374,000
Asbestos Account: For transfer to the state
general fund ....................................... $200,000
Industrial Insurance Premium Refund Account:
For transfer to the state general fund .......... $577,000
Electrical License Account: For transfer
to the state general fund ....................... $7,000,000
Public Service Revolving Account: For transfer
to the state general fund ....................... $1,600,000
Insurance Commissioner's Regulatory: For transfer to the state general fund $1,500,000

State Treasurer's Service Account: For transfer to the state general fund $10,000,000

Department of Retirement Systems Expense Account: For transfer to the state general fund $1,500,000

Gambling Revolving Account: For transfer to the state general fund $1,500,000

Pressure Systems Safety Account: For transfer to the state general fund $500,000

Woodstove Education and Enforcement Account: For transfer to the air pollution control account $600,000

Local Toxics Control Account: For transfer to the state toxics control account $4,059,000

Flood Control Assistance Account: For transfer to the state general fund $2,700,000

Nisqually Earthquake Account--State: For transfer to the state disaster response account for fiscal year 2004 $6,234,000

Health Services Account: For transfer to the tobacco prevention and control account $24,216,000

Health Services Account: For transfer to the violence reduction and drug enforcement account $7,789,000

Health Services Account: For transfer to the water quality account $8,182,000

Health Services Account: For transfer to the state general fund for fiscal year 2005 $50,000,000

Tobacco Settlement Account: For transfer to the health services account, in an amount not to exceed the actual balance of the tobacco settlement account $185,000,000

Emergency Reserve Fund: For transfer to the state general fund $57,046,000

NEW SECTION. Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--
TRANSFERS

General Fund--State Appropriation: For transfer to the department of retirement systems expense account:

For the administrative expenses of the judicial retirement system ........................................... $21,901

(End of part)
NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS. The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2003-05 biennium.

NEW SECTION. Sec. 902. INFORMATION SYSTEMS PROJECTS. Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:
   (a) System refurbishment, acquisitions, and development efforts;
   (b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;
   (c) Assessment of overall information processing performance, resources, and capabilities;
   (d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources; and
   (e) Progress toward enabling electronic access to public information.
(3) Each project will be planned and designed to take optimal advantage of Internet technologies and protocols. Agencies shall ensure that the project is in compliance with the architecture, infrastructure, principles, policies, and standards of digital government as maintained by the information services board.

(4) The agency shall produce a feasibility study for information technology projects at the direction of the information services board and in accordance with published department of information services policies and guidelines. At a minimum, such studies shall include a statement of: (a) The purpose or impetus for change; (b) the business value to the agency, including an examination and evaluation of benefits, advantages, and cost; (c) a comprehensive risk assessment based on the proposed project's impact on both citizens and state operations, its visibility, and the consequences of doing nothing; (d) the impact on agency and statewide information infrastructure; and (e) the impact of the proposed enhancements to an agency's information technology capabilities on meeting service delivery demands.

(5) The agency shall produce a comprehensive management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan(s) shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information technology project is intended to address; a statement of project objectives and assumptions; a definition and schedule of phases, tasks, and activities to be accomplished; and the estimated cost of each phase. The planning for the phased approach shall be such that the business case justification for a project needs to demonstrate how the project recovers cost or adds measurable value or positive cost benefit to the agency's business functions within each development cycle.

(6) The agency shall produce quality assurance plans for information technology projects. Consistent with the direction of the information services board and the published policies and guidelines of the department of information services, the quality assurance plan shall address all factors critical to successful completion of the project and successful integration with the agency and state information technology infrastructure. At a minimum, quality assurance plans shall provide time and budget benchmarks against which project progress can be measured, a specification of quality assurance
responsibilities, and a statement of reporting requirements. The
quality assurance plans shall set out the functionality requirements
for each phase of a project.

(7) A copy of each feasibility study, project management plan, and
quality assurance plan shall be provided to the department of
information services, the office of financial management, and
legislative fiscal committees. The plans and studies shall demonstrate
a sound business case that justifies the investment of taxpayer funds
on any new project, an assessment of the impact of the proposed system
on the existing information technology infrastructure, the disciplined
use of preventative measures to mitigate risk, and the leveraging of
private-sector expertise as needed. Authority to expend any funds for
individual information systems projects is conditioned on the approval
of the relevant feasibility study, project management plan, and quality
assurance plan by the department of information services and the office
of financial management.

(8) Quality assurance status reports shall be submitted to the
department of information services, the office of financial management,
and legislative fiscal committees at intervals specified in the
project's quality assurance plan.

NEW SECTION. Sec. 903. VIDEO TELECOMMUNICATIONS. The department
of information services shall act as lead agency in coordinating video
telecommunications services for state agencies. As lead agency, the
department shall develop standards and common specifications for leased
and purchased telecommunications equipment and assist state agencies in
developing a video telecommunications expenditure plan. No agency may
spend any portion of any appropriation in this act for new video
telecommunication equipment, new video telecommunication transmission,
or new video telecommunication programming, or for expanding current
video telecommunication systems without first complying with chapter
43.105 RCW, including but not limited to, RCW 43.105.041(2), and
without first submitting a video telecommunications expenditure plan,
in accordance with the policies of the department of information
services, for review and assessment by the department of information
services under RCW 43.105.052. Prior to any such expenditure by a
public school, a video telecommunications expenditure plan shall be
approved by the superintendent of public instruction. The office of
the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

NEW SECTION. Sec. 904. VOLUNTARY DEFICIT REDUCTION CONTRIBUTION ACCOUNT. The voluntary deficit reduction contribution account is created in the state treasury. All receipts from citizens' voluntary contributions, donations, gifts, bequests, grants, or other sources granted or given for this account must be deposited in the account. Money in the account shall be used exclusively for public purposes and may be spent only after appropriation. Unless the donor has directed that his or her contribution be used for a particular state program or function, expenditures from the account may be used for any general fund or transportation purpose.

NEW SECTION. Sec. 905. PROGRAM COST SHIFTS. Any program costs or moneys in this act that are shifted to the general fund from another fund or account require an adjustment to the expenditure limit under RCW 43.135.035(5).

NEW SECTION. Sec. 906. EMERGENCY FUND ALLOCATIONS. Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. No appropriation shall be necessary to effect such repayment.
NEW SECTION. Sec. 907. STATUTORY APPROPRIATIONS. In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and fire fighters' retirement system plan 2, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 and 39.96 RCW or any proper bond covenant made under law.

NEW SECTION. Sec. 908. BOND EXPENSES. In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. Sec. 909. VOLUNTARY SEPARATION INCENTIVES. As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may offer voluntary separation and/or downshifting incentives and options according to procedures and guidelines established by the department of personnel and the department of retirement systems in consultation with the office of financial management. The options may include, but are not limited to, financial incentives for: Voluntary resignation and retirement, voluntary leave-without-pay, voluntary workweek or work hour reduction, voluntary downward movement, or temporary separation for development purposes. No employee shall have a contractual right to a financial incentive offered pursuant to this section and employees accepting a voluntary separation incentive are not eligible for unemployment compensation based on their separation from state employment under Title 50 RCW.

Agencies shall report on the outcomes of their plans, and offers shall be reviewed and monitored jointly by the department of personnel and the department of retirement systems, for reporting to the office of financial management by December 1, 2004.
NEW SECTION. Sec. 910. VOLUNTARY RETIREMENT INCENTIVES. It is
the intent of the legislature that agencies may implement a voluntary
retirement incentive program that is cost neutral or results in cost
savings provided that such a program is approved by the director of
retirement systems and the office of financial management. No employee
shall have a contractual right to a financial incentive offered
pursuant to this section, and employees accepting a voluntary
retirement incentive are not eligible for unemployment compensation
based on their separation from state employment under Title 50 RCW.
Agencies participating in this authorization are required to submit a
report by June 30, 2005, to the legislature and the office of financial
management on the outcome of their approved retirement incentive
program. The report should include information on the details of the
program including resulting service delivery changes, agency
efficiencies, the cost of the retirement incentive per participant, the
total cost to the state, and the projected or actual net dollar savings
over the 2003-05 biennium.

Sec. 911. RCW 9.46.100 and 2002 c 371 s 901 are each amended to
read as follows:

There is hereby created the gambling revolving fund which shall
consist of all moneys receivable for licensing, penalties, forfeitures,
and all other moneys, income, or revenue received by the commission.
The state treasurer shall be custodian of the fund. All moneys
received by the commission or any employee thereof, except for change
funds and an amount of petty cash as fixed by rule or regulation of the
commission, shall be deposited each day in a depository approved by the
state treasurer and transferred to the state treasurer to be credited
to the gambling revolving fund. Disbursements from the revolving fund
shall be on authorization of the commission or a duly authorized
representative thereof. In order to maintain an effective expenditure
and revenue control the gambling revolving fund shall be subject in all
respects to chapter 43.88 RCW but no appropriation shall be required to
permit expenditures and payment of obligations from such fund. All
expenses relative to commission business, including but not limited to
salaries and expenses of the director and other commission employees
shall be paid from the gambling revolving fund.
During the (2001-2003) 2003-2005 fiscal biennium, the legislature may transfer from the gambling revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund (and reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings).

Sec. 912. RCW 19.28.351 and 1988 c 81 s 11 are each amended to read as follows:

All sums received from licenses, permit fees, or other sources, herein shall be paid to the state treasurer and placed in a special fund designated as the "electrical license fund," and (by him) paid out upon vouchers duly and regularly issued therefor and approved by the director of labor and industries or the director's designee following determination by the board that the sums are necessary to accomplish the intent of chapter 19.28 RCW. The treasurer shall keep an accurate record of payments into, or receipts of, (said) the fund, and of all disbursements therefrom.

During the 2003-2005 biennium, the legislature may transfer moneys from the electrical license fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 913. RCW 28A.500.030 and 2002 c 317 s 4 are each amended to read as follows:

Allocation of state matching funds to eligible districts for local effort assistance shall be determined as follows:

(1) Funds raised by the district through maintenance and operation levies shall be matched with state funds using the following ratio of state funds to levy funds:

(a) The difference between the district's twelve percent levy rate and the statewide average twelve percent levy rate; to

(b) The statewide average twelve percent levy rate.

(2) The maximum amount of state matching funds for districts eligible for local effort assistance shall be the district's twelve percent levy amount, multiplied by the following percentage:

(a) The difference between the district's twelve percent levy rate and the statewide average twelve percent levy rate; divided by

(b) The district's twelve percent levy rate.
(3) Calendar year 2003 allocations and maximum eligibility under this chapter shall be multiplied by 0.99.

(4) From January 1, 2004, to June 30, 2005, allocations and maximum eligibility under this chapter shall be multiplied by 0.937.

Sec. 914. RCW 38.52.106 and 2002 c 371 s 904 are each amended to read as follows:

The Nisqually earthquake account is created in the state treasury. Moneys may be placed in the account from tax revenues, budget transfers or appropriations, federal appropriations, gifts, or any other lawful source. Moneys in the account may be spent only after appropriation. Moneys in the account shall be used only to support state and local government disaster response and recovery efforts associated with the Nisqually earthquake. During the (2001-) 2003-2005 fiscal biennium, the legislature may transfer moneys from the Nisqually earthquake account to the disaster response account for fire suppression and mobilization costs((, and costs associated with national security preparedness activities)).

Sec. 915. RCW 41.50.110 and 1998 c 341 s 508 are each amended to read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department and the expenses of administration of the retirement systems created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, and 43.43 RCW shall be paid from the department of retirement systems expense fund.

(2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.
(3) The department shall compute and bill each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060((2)) (3) shall be paid pursuant to subsection (1) of this section.

(7) During the 2003-2005 fiscal biennium, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 916. RCW 43.08.190 and 1991 sp.s. c 13 s 83 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund". Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.
Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79.040(2)(b) or 43.84.092(2)(b)(4)(b). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate based on the appropriations for the treasurer's office.

During the 2003-2005 fiscal biennium, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 917. RCW 43.03.050 and 1990 c 30 s 1 are each amended to read as follows:

(1) The director of financial management shall prescribe reasonable allowances to cover reasonable and necessary subsistence and lodging expenses for elective and appointive officials and state employees while engaged on official business away from their designated posts of duty. The director of financial management may prescribe and regulate the allowances provided in lieu of subsistence and lodging expenses and may prescribe the conditions under which reimbursement for subsistence and lodging may be allowed. The schedule of allowances adopted by the office of financial management may include special allowances for foreign travel and other travel involving higher than usual costs for subsistence and lodging. The allowances established by the director shall not exceed the rates set by the federal government for federal employees. However, during the 2003-05 fiscal biennium, the allowances for any county that is part of a metropolitan statistical area, the largest city of which is in another state, shall equal the allowances prescribed for that larger city.

(2) Those persons appointed to serve without compensation on any state board, commission, or committee, if entitled to payment of travel expenses, shall be paid pursuant to special per diem rates prescribed in accordance with subsection (1) of this section by the office of financial management.
(3) The director of financial management may prescribe reasonable
allowances to cover reasonable expenses for meals, coffee, and light
refreshment served to elective and appointive officials and state
employees regardless of travel status at a meeting where: (a) The
purpose of the meeting is to conduct official state business or to
provide formal training to state employees or state officials; (b) the
meals, coffee, or light refreshment are an integral part of the meeting
or training session; (c) the meeting or training session takes place
away from the employee's or official's regular workplace; and (d) the
agency head or authorized designee approves payments in advance for the
meals, coffee, or light refreshment. In order to prevent abuse, the
director may regulate such allowances and prescribe additional
conditions for claiming the allowances.

(4) Upon approval of the agency head or authorized designee, an
agency may serve coffee or light refreshments at a meeting where: (a)
The purpose of the meeting is to conduct state business or to provide
formal training that benefits the state; and (b) the coffee or light
refreshment is an integral part of the meeting or training session.
The director of financial management shall adopt requirements necessary
to prohibit abuse of the authority authorized in this subsection.

(5) The schedule of allowances prescribed by the director under the
terms of this section and any subsequent increases in any maximum
allowance or special allowances for areas of higher than usual costs
shall be reported to the ways and means committees of the house of
representatives and the senate at each regular session of the
legislature.

Sec. 918. RCW 43.10.180 and 1979 c 151 s 95 are each amended to
read as follows:

(1) The attorney general shall keep such records as are necessary
to facilitate proper allocation of costs to funds and agencies served
and the director of financial management shall prescribe appropriate
accounting procedures to accurately allocate costs to funds and
agencies served. Billings shall be adjusted in line with actual costs
incurred at intervals not to exceed six months.

(2) During the 2003-05 fiscal biennium, all expenses for
administration of the office of the attorney general shall be allocated
to and paid from the legal services revolving fund in accordance with accounting procedures prescribed by the director of financial management.

Sec. 919. RCW 43.08.250 and 2001 2nd sp.s. c 7 s 914 and 2001 c 289 s 4 are each reenacted and amended to read as follows:

The money received by the state treasurer from fees, fines, forfeitures, penalties, reimbursements or assessments by any court organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be deposited in the public safety and education account which is hereby created in the state treasury. The legislature shall appropriate the funds in the account to promote traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education, the judicial information system, civil representation of indigent persons, winter recreation parking, drug court operations, and state game programs. During the fiscal biennium ending June 30, (2003) 2005, the legislature may appropriate moneys from the public safety and education account for purposes of appellate indigent defense and other operations of the office of public defense, the criminal litigation unit of the attorney general's office, the treatment alternatives to street crimes program, crime victims advocacy programs, justice information network telecommunication planning, treatment for supplemental security income clients, sexual assault treatment, operations of the office of administrator for the courts, security in the common schools, alternative school start-up grants, programs for disruptive students, criminal justice data collection, Washington state patrol criminal justice activities, drug court operations, unified family courts, local court backlog assistance, financial assistance to local jurisdictions for extraordinary costs incurred in the adjudication of criminal cases, domestic violence treatment and related services, the department of corrections' costs in implementing chapter 196, Laws of 1999, reimbursement of local governments for costs associated with implementing criminal and civil justice legislation, the replacement of the department of corrections' offender-based tracking system, the family policy council, crisis residential centers or secure crisis residential centers, payments to school districts for truancy petitions, payments to superior courts for
truancy, child-in-need-of-services or at-risk youth petitions, and
narcotics or methamphetamine-related enforcement, education, training,
and drug and alcohol treatment services.

Sec. 920. RCW 43.43.944 and 1999 c 117 s 2 are each amended to
read as follows:
(1) The fire service training account is hereby established in the
state treasury. The fund shall consist of:
(a) All fees received by the Washington state patrol for fire
service training;
(b) All grants and bequests accepted by the Washington state patrol
under RCW 43.43.940; and
(c) Twenty percent of all moneys received by the state on fire
insurance premiums.
(2) Moneys in the account may be appropriated only for fire service
training. During the 2003-2005 fiscal biennium, the legislature may
appropriate funds from this account for school fire prevention
activities within the Washington state patrol.

Sec. 921. RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
follows:
(1) The emergency reserve fund is established in the state
treasury. During each fiscal year, the state treasurer shall deposit
in the emergency reserve fund all general fund--state revenues in
excess of the state expenditure limit for that fiscal year. Deposits
shall be made at the end of each fiscal quarter based on projections of
state revenues and the state expenditure limit. The treasurer shall
make transfers between these accounts as necessary to reconcile actual
annual revenues and the expenditure limit for fiscal year 2000 and
thereafter.
(2) The legislature may appropriate moneys from the emergency
reserve fund only with approval of at least two-thirds of the members
of each house of the legislature, and then only if the appropriation
does not cause total expenditures to exceed the state expenditure limit
under this chapter.
(3) The emergency reserve fund balance shall not exceed five
percent of annual general fund--state revenues as projected by the
any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer as follows: seventy-five percent to the student achievement fund hereby created in the state treasury and twenty-five percent to the general fund balance. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter. When per-student state funding for the maintenance and operation of K-12 education meets a level of no less than ninety percent of the national average of total funding from all sources per student as determined by the most recent published data from the national center for education statistics of the United States department of education, as calculated by the office of financial management, further deposits to the student achievement fund shall be required only to the extent necessary to maintain the ninety-percent level. Remaining funds are part of the general fund balance and these funds are subject to the expenditure limits of this chapter.

(4) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

(6) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. Within thirty days following any fiscal year in which earnings transferred to the
multimodal transportation account under this subsection did not total thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide ongoing support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated. No transfers from the emergency reserve fund to the multimodal transportation account shall be made during the 2003-05 fiscal biennium.

**Sec. 922.** RCW 43.320.110 and 2002 c 371 s 912 are each amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

((Between July 1, 2001, and December 31, 2001, the legislature may transfer up to two million dollars from the financial services regulation fund to the digital government revolving account.)) During the ((2001-)) 2003-2005 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund
such amounts as reflect the excess fund balance of the fund and appropriations reductions made by the ((2002 supplemental)) appropriations act for administrative efficiencies and savings.

Sec. 923. RCW 46.09.170 and 1995 c 166 s 9 are each amended to read as follows:

(1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on the tax rate in effect January 1, 1990, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090. The treasurer shall place these funds in the general fund as follows:

(a) Forty percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for planning, maintenance, and management of ORV recreation facilities, nonhighway roads, and nonhighway road recreation facilities. The funds under this subsection shall be expended in accordance with the following limitations:

(i) Not more than five percent may be expended for information programs under this chapter;
(ii) Not less than ten percent and not more than fifty percent may be expended for ORV recreation facilities;
(iii) Not more than twenty-five percent may be expended for maintenance of nonhighway roads;
(iv) Not more than fifty percent may be expended for nonhighway road recreation facilities;
(v) Ten percent shall be transferred to the interagency committee for outdoor recreation for grants to law enforcement agencies in those counties where the department of natural resources maintains ORV facilities. This amount is in addition to those distributions made by the interagency committee for outdoor recreation under (d)(i) of this subsection;

(b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of nonhighway roads and recreation facilities;
(c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the maintenance and management of ORV use areas and facilities; and

(d) Fifty-four and one-half percent, together with the funds received by the interagency committee for outdoor recreation under RCW 46.09.110, shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the committee for planning, acquisition, development, maintenance, and management of ORV recreation facilities and nonhighway road recreation facilities; ORV user education and information; and ORV law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:

(i) Not more than twenty percent may be expended for ORV education, information, and law enforcement programs under this chapter;

(ii) Not less than an amount equal to the funds received by the interagency committee for outdoor recreation under RCW 46.09.110 and not more than sixty percent may be expended for ORV recreation facilities;

(iii) Not more than twenty percent may be expended for nonhighway road recreation facilities.

(2) On a yearly basis an agency may not, except as provided in RCW 46.09.110, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

(3) During the 2003-05 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the ORV account to the interagency committee for outdoor recreation, the department of natural resources, the department of fish and wildlife, and the state parks and recreation commission. This appropriation is not required to follow the specific distribution specified in subsection (1) of this section.

Sec. 924. RCW 48.02.190 and 2002 c 371 s 913 are each amended to read as follows:

(1) As used in this section:

(a) "Organization" means every insurer, as defined in RCW 48.01.050, having a certificate of authority to do business in this state and every health care service contractor registered to do
business in this state. "Class one" organizations shall consist of all insurers as defined in RCW 48.01.050. "Class two" organizations shall consist of all organizations registered under provisions of chapter 48.44 RCW.

(b) "Receipts" means (i) net direct premiums consisting of direct gross premiums, as defined in RCW 48.18.170, paid for insurance written or renewed upon risks or property resident, situated, or to be performed in this state, less return premiums and premiums on policies not taken, dividends paid or credited to policyholders on direct business, and premiums received from policies or contracts issued in connection with qualified plans as defined in RCW 48.14.021, and (ii) prepayments to health care service contractors as set forth in RCW 48.44.010(3) less experience rating credits, dividends, prepayments returned to subscribers, and payments for contracts not taken.

(2) The annual cost of operating the office of insurance commissioner shall be determined by legislative appropriation. A pro rata share of the cost shall be charged to all organizations. Each class of organization shall contribute sufficient in fees to the insurance commissioner's regulatory account to pay the reasonable costs, including overhead, of regulating that class of organization.

(3) Fees charged shall be calculated separately for each class of organization. The fee charged each organization shall be that portion of the cost of operating the insurance commissioner's office, for that class of organization, for the ensuing fiscal year that is represented by the organization's portion of the receipts collected or received by all organizations within that class on business in this state during the previous calendar year: PROVIDED, That the fee shall not exceed one-eighth of one percent of receipts: PROVIDED FURTHER, That the minimum fee shall be one thousand dollars.

(4) The commissioner shall annually, on or before June 1, calculate and bill each organization for the amount of its fee. Fees shall be due and payable no later than June 15 of each year: PROVIDED, That if the necessary financial records are not available or if the amount of the legislative appropriation is not determined in time to carry out such calculations and bill such fees within the time specified, the commissioner may use the fee factors for the prior year as the basis for the fees and, if necessary, the commissioner may impose supplemental fees to fully and properly charge the organizations. The
penalties for failure to pay fees when due shall be the same as the penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees required by this section are in addition to all other taxes and fees now imposed or that may be subsequently imposed.

(5) All moneys collected shall be deposited in the insurance commissioner's regulatory account in the state treasury which is hereby created.

(6) Unexpended funds in the insurance commissioner's regulatory account at the close of a fiscal year shall be carried forward in the insurance commissioner's regulatory account to the succeeding fiscal year and shall be used to reduce future fees. During the (2001-2003) 2003-2005 fiscal biennium, the legislature may transfer from the insurance commissioner's regulatory account to the state general fund such amounts as reflect excess fund balance in the account.

Sec. 925. RCW 49.26.130 and 1989 c 154 s 9 are each amended to read as follows:

(1) The department shall administer this chapter.

(2) The director of the department shall adopt, in accordance with chapters 34.05 and 49.17 RCW, rules necessary to carry out this chapter.

(3) The department shall prescribe fees for the issuance and renewal of certificates, including recertification, and the administration of examinations, and for the review of training courses.

(4) The asbestos account is hereby established in the state treasury. All fees collected under this chapter shall be deposited in the account. Moneys in the account shall be spent after appropriation only for costs incurred by the department in the administration and enforcement of this chapter. Disbursements from the account shall be on authorization of the director of the department or the director's designee.

(5) During the 2003-2005 fiscal biennium, the legislature may transfer from the asbestos account to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 926. RCW 50.16.010 and 2002 c 371 s 914 are each amended to read as follows:

There shall be maintained as special funds, separate and apart from
all public moneys or funds of this state an unemployment compensation
fund, an administrative contingency fund, and a federal interest
payment fund, which shall be administered by the commissioner
exclusively for the purposes of this title, and to which RCW 43.01.050
shall not be applicable.

The unemployment compensation fund shall consist of
(1) all contributions and payments in lieu of contributions
collected pursuant to the provisions of this title,
(2) any property or securities acquired through the use of moneys
belonging to the fund,
(3) all earnings of such property or securities,
(4) any moneys received from the federal unemployment account in
the unemployment trust fund in accordance with Title XII of the social
security act, as amended,
(5) all money recovered on official bonds for losses sustained by
the fund,
(6) all money credited to this state's account in the unemployment
trust fund pursuant to section 903 of the social security act, as
amended,
(7) all money received from the federal government as reimbursement
pursuant to section 204 of the federal-state extended compensation act
of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and
(8) all moneys received for the fund from any other source.

All moneys in the unemployment compensation fund shall be
commingled and undivided.

The administrative contingency fund shall consist of all interest
on delinquent contributions collected pursuant to this title, all fines
and penalties collected pursuant to the provisions of this title, all
sums recovered on official bonds for losses sustained by the fund, and
revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
forfeitures and penalties collected or assessed by a district court
because of the violation of a state law shall be remitted as provided
in chapter 3.62 RCW as now exists or is later amended.

Moneys available in the administrative contingency fund, other than
money in the special account created under RCW 50.24.014, shall be
expended upon the direction of the commissioner, with the approval of
the governor, whenever it appears to him or her that such expenditure
is necessary for:
(a) The proper administration of this title and no federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(b) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(c) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d) During the 2003-2005 fiscal biennium, the cost of the job skills program and the alliance for corporate education at community and technical colleges as appropriated by the legislature.

Money in the special account created under RCW 50.24.014 may only be expended, after appropriation, for the purposes specified in RCW 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

Sec. 927. RCW 51.44.170 and 2002 c 371 s 916 are each amended to read as follows:

The industrial insurance premium refund account is created in the custody of the state treasurer. All industrial insurance refunds earned by state agencies or institutions of higher education under the state fund retrospective rating program shall be deposited into the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account. Only the executive head of the agency or institution of higher education, or designee, may authorize expenditures from the account. No agency or institution of higher education may make an expenditure from the account for an amount greater than the refund earned by the agency. If the agency or institution of higher education
has staff dedicated to workers' compensation claims management, expenditures from the account must be used to pay for that staff, but additional expenditure from the account may be used for any program within an agency or institution of higher education that promotes or provides incentives for employee workplace safety and health and early, appropriate return-to-work for injured employees. During the ((2001-2003)) 2003-2005 fiscal biennium, the legislature may transfer from the industrial insurance premium refund account to the state general fund such amounts as reflect the ((reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings)) excess fund balance of the account.

Sec. 928. RCW 67.40.040 and 1995 c 386 s 13 are each amended to read as follows:

(1) The proceeds from the sale of the bonds authorized in RCW 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and 67.40.130, and all other moneys received by the state convention and trade center from any public or private source which are intended to fund the acquisition, design, construction, expansion, exterior cleanup and repair of the Eagles building, conversion of various retail and other space to meeting rooms, purchase of the land and building known as the McKay Parcel, development of low-income housing, or renovation of the center, and those expenditures authorized under RCW 67.40.170 shall be deposited in the state convention and trade center account hereby created in the state treasury and in such subaccounts as are deemed appropriate by the directors of the corporation.

(2) Moneys in the account, including unanticipated revenues under RCW 43.79.270, shall be used exclusively for the following purposes in the following priority:

(a) For reimbursement of the state general fund under RCW 67.40.060;

(b) After appropriation by statute:

(i) For payment of expenses incurred in the issuance and sale of the bonds issued under RCW 67.40.030;

(ii) For expenditures authorized in RCW 67.40.170;

(iii) For acquisition, design, and construction of the state convention and trade center; and
(iv) For reimbursement of any expenditures from the state general fund in support of the state convention and trade center; and
(c) For transfer to the state convention and trade center operations account.

(3) The corporation shall identify with specificity those facilities of the state convention and trade center that are to be financed with proceeds of general obligation bonds, the interest on which is intended to be excluded from gross income for federal income tax purposes. The corporation shall not permit the extent or manner of private business use of those bond-financed facilities to be inconsistent with treatment of such bonds as governmental bonds under applicable provisions of the Internal Revenue Code of 1986, as amended.

(4) In order to ensure consistent treatment of bonds authorized under RCW 67.40.030 with applicable provisions of the Internal Revenue Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment earnings on bond proceeds deposited in the state convention and trade center account in the state treasury shall be retained in the account, and shall be expended by the corporation for the purposes authorized under chapter 386, Laws of 1995 and in a manner consistent with applicable provisions of the Internal Revenue Code of 1986, as amended.

(5) During the 2003-2005 fiscal biennium, the legislature may transfer from the state convention and trade center account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 929. RCW 69.50.520 and 2002 c 371 s 920 are each amended to read as follows:

The violence reduction and drug enforcement account is created in the state treasury. All designated receipts from RCW 9.41.110(8), 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5), 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989 shall be deposited into the account. Expenditures from the account may be used only for funding services and programs under chapter 271, Laws of 1989 and chapter 7, Laws of 1994 sp. sess., including state incarceration costs. Funds from the account may also be appropriated to reimburse local governments for costs associated with implementing criminal justice legislation including chapter 338, Laws of 1997. During the ((2001–))2003-2005 biennium, funds from the account may also
be used for costs associated with providing grants to local governments in accordance with chapter 338, Laws of 1997, the replacement of the department of corrections' offender-based tracking system, maintenance and operating costs of the Washington association of sheriffs and police chiefs jail reporting system, civil indigent legal representation, drug treatment costs for offenders, and for multijurisdictional narcotics task forces. After July 1, 2003, at least seven and one-half percent of expenditures from the account shall be used for providing grants to community networks under chapter 70.190 RCW by the family policy council.

Sec. 930. RCW 70.79.350 and 1979 c 151 s 171 are each amended to read as follows:

The chief inspector shall give an official receipt for all fees required by chapter 70.79 RCW and shall transfer all sums so received to the treasurer of the state of Washington as ex officio custodian thereof and (by him, as such custodian,) the treasurer shall place (said) all sums in a special fund hereby created and designated as the "pressure systems safety fund". (Said) Funds (by him) shall be paid out upon vouchers duly and regularly issued therefor and approved by the director of the department of labor and industries. The treasurer, as ex officio custodian of (said) the fund, shall keep an accurate record of any payments into (said) the fund, and of all disbursements therefrom. (Said) The fund shall be used exclusively to defray only the expenses of administering chapter 70.79 RCW by the chief inspector as authorized by law and the expenses incident to the maintenance of (his) the office. The fund shall be charged with its pro rata share of the cost of administering (said) the fund which is to be determined by the director of financial management and by the director of the department of labor and industries.

During the 2003-2005 fiscal biennium, the legislature may transfer from the pressure systems safety fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 931. RCW 70.146.030 and 2002 c 371 s 921 are each amended to read as follows:

(1) The water quality account is hereby created in the state treasury. Moneys in the account may be used only in a manner
consistent with this chapter. Moneys deposited in the account shall be
administered by the department of ecology and shall be subject to
legislative appropriation. Moneys placed in the account shall include
tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
principal and interest from the repayment of any loans granted pursuant
to this chapter, and any other moneys appropriated to the account by
the legislature.

(2) The department may use or permit the use of any moneys in the
account to make grants or loans to public bodies, including grants to
public bodies as cost-sharing moneys in any case where federal, local,
or other funds are made available on a cost-sharing basis, for water
pollution control facilities and activities, or for purposes of
assisting a public body to obtain an ownership interest in water
pollution control facilities and/or to defray a part of the payments
made by a public body to a service provider under a service agreement
entered into pursuant to RCW 70.150.060, within the purposes of this
chapter and for related administrative expenses. For the period July
be used to process applications received by the department that seek to
make changes to or transfer existing water rights and for grants and
technical assistance to public bodies for watershed planning under
chapter 90.82 RCW. No more than three percent of the moneys deposited
in the account may be used by the department to pay for the
administration of the grant and loan program authorized by this
chapter.

(3) Beginning with the biennium ending June 30, 1997, the
department shall present a biennial progress report on the use of
moneys from the account to the chairs of the senate committee on ways
and means and the house of representatives committee on appropriations.
The first report is due June 30, 1996, and the report for each
succeeding biennium is due December 31 of the odd-numbered year. The
report shall consist of a list of each recipient, project description,
and amount of the grant, loan, or both.

Sec. 932. RCW 80.01.080 and 2002 c 371 s 924 are each amended to
read as follows:

There is created in the state treasury a public service revolving
fund. Regulatory fees payable by all types of public service companies
shall be deposited to the credit of the public service revolving fund. Except for expenses payable out of the pipeline safety account, all expense of operation of the Washington utilities and transportation commission shall be payable out of the public service revolving fund.

During the (2001-2003) fiscal biennium, the legislature may transfer from the public service revolving fund to the state general fund such amounts as reflect the (appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings) excess fund balance of the fund.

Sec. 933. RCW 82.14.200 and 1998 c 321 s 8 are each amended to read as follows:

There is created in the state treasury a special account to be known as the "county sales and use tax equalization account." Into this account shall be placed a portion of all motor vehicle excise tax receipts as provided in RCW 82.44.110. Funds in this account shall be allocated by the state treasurer according to the following procedure:

(1) Prior to April 1st of each year the director of revenue shall inform the state treasurer of the total and the per capita levels of revenues for the unincorporated area of each county and the statewide weighted average per capita level of revenues for the unincorporated areas of all counties imposing the sales and use tax authorized under RCW 82.14.030(1) for the previous calendar year.

(2) At such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than one hundred fifty thousand dollars from the tax for the previous calendar year, an amount from the county sales and use tax equalization account sufficient, when added to the amount of revenues received the previous calendar year by the county, to equal one hundred fifty thousand dollars.

The department of revenue shall establish a governmental price index as provided in this subsection. The base year for the index shall be the end of the third quarter of 1982. Prior to November 1, 1983, and prior to each November 1st thereafter, the department of revenue shall establish another index figure for the third quarter of that year. The department of revenue may use the implicit price deflators for state and local government purchases of goods and
services calculated by the United States department of commerce to establish the governmental price index. Beginning on January 1, 1984, and each January 1st thereafter, the one hundred fifty thousand dollar base figure in this subsection shall be adjusted in direct proportion to the percentage change in the governmental price index from 1982 until the year before the adjustment. Distributions made under this subsection for 1984 and thereafter shall use this adjusted base amount figure.

(3) Subsequent to the distributions under subsection (2) of this section and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than seventy percent of the statewide weighted average per capita level of revenues for the unincorporated areas of all counties as determined by the department of revenue under subsection (1) of this section, an amount from the county sales and use tax equalization account sufficient, when added to the per capita level of revenues for the unincorporated area received the previous calendar year by the county, to equal seventy percent of the statewide weighted average per capita level of revenues for the unincorporated areas of all counties determined under subsection (1) of this section, subject to reduction under subsections (6) and (7) of this section. When computing distributions under this section, any distribution under subsection (2) of this section shall be considered revenues received from the tax imposed under RCW 82.14.030(1) for the previous calendar year.

(4) Subsequent to the distributions under subsection (3) of this section and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (2) of this section, a third distribution from the county sales and use tax equalization account. The distribution to each qualifying county shall be equal to the distribution to the county under subsection (2) of this section, subject to the reduction under subsections (6) and (7) of this section. To qualify for the total distribution under this subsection, the county must impose the tax under RCW 82.14.030(2) for the entire calendar year.
year. Counties imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(5) Subsequent to the distributions under subsection (4) of this section and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (3) of this section, a fourth distribution from the county sales and use tax equalization account. The distribution to each qualifying county shall be equal to the distribution to the county under subsection (3) of this section, subject to the reduction under subsections (6) and (7) of this section. To qualify for the distributions under this subsection, the county must impose the tax under RCW 82.14.030(2) for the entire calendar year. Counties imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(6) Revenues distributed under subsections (2) through (5) of this section in any calendar year shall not exceed an amount equal to seventy percent of the statewide weighted average per capita level of revenues for the unincorporated areas of all counties during the previous calendar year. If distributions under subsections (3) through (5) of this section cannot be made because of this limitation, then distributions under subsections (3) through (5) of this section shall be reduced ratably among the qualifying counties.

(7) If inadequate revenues exist in the county sales and use tax equalization account to make the distributions under subsections (3) through (5) of this section, then the distributions under subsections (3) through (5) of this section shall be reduced ratably among the qualifying counties. At such time during the year as additional funds accrue to the county sales and use tax equalization account, additional distributions shall be made under subsections (3) through (5) of this section to the counties.

(8) If the level of revenues in the county sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) of this section, at such times as distributions are made under RCW 82.44.150, the state
treasurer shall apportion an amount to the county public health account created in RCW 70.05.125 equal to the adjustment under RCW 70.05.125(2)(b).

(9) If the level of revenues in the county sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) and (8) of this section, then the additional revenues shall be credited and transferred as follows:

(a) Fifty percent to the public facilities construction loan revolving account under RCW 43.160.080; and

(b) Fifty percent to the distressed county public facilities construction loan account under RCW 43.160.220, or so much thereof as will not cause the balance in the account to exceed twenty-five million dollars. Any remaining funds shall be deposited into the public facilities construction loan revolving account.

(10) During the 2003-2005 fiscal biennium, the legislature may transfer from the county sales and use tax equalization account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 934. RCW 82.14.210 and 1996 c 64 s 1 are each amended to read as follows:

There is created in the state treasury a special account to be known as the "municipal sales and use tax equalization account." Into this account shall be placed such revenues as are provided under RCW 82.44.110(1)(e). Funds in this account shall be allocated by the state treasurer according to the following procedure:

(1) Prior to January 1st of each year the department of revenue shall determine the total and the per capita levels of revenues for each city and the statewide weighted average per capita level of revenues for all cities imposing the sales and use tax authorized under RCW 82.14.030(1) for the previous calendar year.

(2) At such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each city not imposing the sales and use tax under RCW 82.14.030(2) an amount from the municipal sales and use tax equalization account equal to the amount distributed to the city under RCW 82.44.155, multiplied by forty-five fifty-fifths.
(3) Subsequent to the distributions under subsection (2) of this section, and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each city imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than seventy percent of the statewide weighted average per capita level of revenues for all cities as determined by the department of revenue under subsection (1) of this section, an amount from the municipal sales and use tax equalization account sufficient, when added to the per capita level of revenues received the previous calendar year by the city, to equal seventy percent of the statewide weighted average per capita level of revenues for all cities determined under subsection (1) of this section, subject to reduction under subsection (6) of this section.

(4) Subsequent to the distributions under subsection (3) of this section, and at such times as distributions are made under RCW 82.44.150, the state treasurer shall apportion to each city imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (3) of this section, a third distribution from the municipal sales and use tax equalization account. The distribution to each qualifying city shall be equal to the distribution to the city under subsection (3) of this section, subject to the reduction under subsection (6) of this section. To qualify for the distributions under this subsection, the city must impose the tax under RCW 82.14.030(2) for the entire calendar year. Cities imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(5) For a city with an official incorporation date after January 1, 1990, municipal sales and use tax equalization distributions shall be made according to the procedures in this subsection. Municipal sales and use tax equalization distributions to eligible new cities shall be made at the same time as distributions are made under subsections (3) and (4) of this section. The department of revenue shall follow the estimating procedures outlined in this subsection until the new city has received a full year's worth of revenues under RCW 82.14.030(1) as of the January municipal sales and use tax equalization distribution.

(a) Whether a newly incorporated city determined to receive funds under this subsection receives its first equalization payment at the
January, April, July, or October municipal sales and use tax
equalization distribution shall depend on the date the city first
imposes the tax authorized under RCW 82.14.030(1).

(i) A newly incorporated city imposing the tax authorized under RCW
82.14.030(1) effective as of January 1st shall be eligible to receive
funds under this subsection beginning with the April municipal sales
and use tax equalization distribution of that year.

(ii) A newly incorporated city imposing the tax authorized under
RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
shall be eligible to receive funds under this subsection beginning with
the July municipal sales and use tax equalization distribution of that
year.

(iii) A newly incorporated city imposing the tax authorized under
RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
be eligible to receive funds under this subsection beginning with the
October municipal sales and use tax equalization distribution of that
year.

(iv) A newly incorporated city imposing the tax authorized under
RCW 82.14.030(1) effective as of August 1st, September 1st, or October
1st shall be eligible to receive funds under this subsection beginning with the
January municipal sales and use tax equalization distribution of the next
year.

(v) A newly incorporated city imposing the tax authorized under RCW
82.14.030(1) effective as of November 1st or December 1st shall be
eligible to receive funds under this subsection beginning with the
April municipal sales and use tax equalization distribution of the next
year.

(b) For purposes of calculating the amount of funds the new city
should receive under this subsection, the department of revenue shall:

(i) Estimate the per capita amount of revenues from the tax
authorized under RCW 82.14.030(1) that the new city would have received
had the city received revenues from the tax the entire calendar year;

(ii) Calculate the amount provided under subsection (3) of this
section based on the per capita revenues determined under (b)(i) of
this subsection;

(iii) Prorate the amount determined under (b)(ii) of this
subsection by the number of months the tax authorized under RCW
82.14.030(1) is imposed.
(c) A new city imposing the tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution calculated under (b) of this subsection shall receive another distribution from the municipal sales and use tax equalization account. This distribution shall be equal to the calculation made under (b)(ii) of this subsection, prorated by the number of months the city imposes the tax authorized under RCW 82.14.030(2) at the full rate.

(d) The department of revenue shall advise the state treasurer of the amounts calculated under (b) and (c) of this subsection and the state treasurer shall distribute these amounts to the new city from the municipal sales and use tax equalization account subject to the limitations imposed in subsection (6) of this section.

(e) Revenues estimated under this subsection shall not affect the calculation of the statewide weighted average per capita level of revenues for all cities made under subsection (1) of this section.

(6) If inadequate revenues exist in the municipal sales and use tax equalization account to make the distributions under subsection (3), (4), or (5) of this section, then the distributions under subsections (3), (4), and (5) of this section shall be reduced ratably among the qualifying cities. At such time during the year as additional funds accrue to the municipal sales and use tax equalization account, additional distributions shall be made under subsections (3), (4), and (5) of this section to the cities.

(7) If the level of revenues in the municipal sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) of this section, then the additional revenues shall be apportioned among the several cities within the state ratably on the basis of population as last determined by the office of financial management: PROVIDED, That no such distribution shall be made to those cities receiving a distribution under subsection (2) of this section.

(8) During the 2003-2005 fiscal biennium, the legislature may transfer from the municipal sales and use tax equalization account to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 935. RCW 86.26.007 and 1997 c 149 s 914 are each amended to read as follows:
The flood control assistance account is hereby established in the state treasury. At the beginning of the 1997-99 fiscal biennium and each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter (or, during the 1997-99 fiscal biennium, for transfer to the disaster response account). During the 2003-2005 fiscal biennium, the legislature may transfer from the flood control assistance account to the state general fund such amounts as reflect the excess fund balance of the account.

NEW SECTION. Sec. 936. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 937. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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