BILL REQUEST – CODE REVISER’S OFFICE

BILL REQ. #: S-4913.3/04 3rd draft
ATTY/TYPIST: LL:seg
BRIEF DESCRIPTION: Making supplemental operating appropriations.

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

PART I

GENERAL GOVERNMENT

Sec. 101. 2003 1st sp.s. c 25 s 101 (uncodified) is amended to read as follows:
FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2004) ....... $28,109,000
General Fund--State Appropriation (FY 2005) ....... (($28,233,000))

Department of Retirement Systems Expense Account--

  State Appropriation ......................... $45,000
  TOTAL APPROPRIATION ...................... (($56,387,000))

$56,462,000

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

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

FOR THE SENATE

General Fund--State Appropriation (FY 2004) ....... $22,001,000
General Fund--State Appropriation (FY 2005) ....... (($23,173,000))

Department of Retirement Systems Expense Account--

  State Appropriation ......................... $45,000
  TOTAL APPROPRIATION ...................... (($45,219,000))

$45,294,000

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

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

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2004) ....... $1,627,000
General Fund--State Appropriation (FY 2005) ....... (($1,717,000))

TOTAL APPROPRIATION ...................... (($3,344,000))

$3,819,000
The appropriations in this section are subject to the following conditions and limitations:

(1) $100,000 of the general fund—state appropriation for fiscal year 2005 is provided solely for the joint legislative audit and review committee to conduct a study of the basic health plan (BHP). Part I of the study shall examine the extent to which BHP policies and procedures promote or discourage the provision of appropriate, high-quality, cost-effective care to BHP enrollees. Issues to be addressed include, but are not limited to, whether: (a) Enrollees are encouraged to engage in wellness activities and receive preventive services; (b) evidence-based treatment strategies are identified and promoted; (c) enrollees are encouraged to use high-quality providers; (d) enrollees with chronic or other high-cost conditions are identified and provided with appropriate interventions; and (e) innovative health care service delivery methods are encouraged. Part I of the study report shall be completed by December 15, 2004. Part II of the study shall examine the characteristics of individuals enrolled in the BHP, and their utilization of health care services, including but not limited to: (i) Enrollee longevity in the BHP; (ii) circumstances that led to BHP enrollment; (iii) how enrollees obtained health care prior to BHP enrollment; (iv) health care coverage of other household members; and (v) service utilization patterns. A part II interim report shall be completed by March 1, 2005, and the final report completed by July 1, 2005.

(2) $150,000 of the state general fund appropriation for fiscal year 2005 is provided for a performance audit of the policies and practices of the state wildfire suppression program. Annual fire suppression costs averaged $11,000,000 for the ten years ending with fiscal year 2001, yet have increased to an average of $31,000,000 per year for fiscal years 2002, 2003, and 2004. The legislature realizes that overall forest health issues may contribute to some of this increase, but the legislature intends to evaluate the full range of causes for such large increases in fire suppression costs. The performance audit shall include, but not be limited to:

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

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

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

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

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

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

(4) $125,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the joint legislative audit and review committee to review the economic impacts of state facilities on local governments. The committee shall consider, but not be limited to, the following factors in its review: Evaluation and comparison of economic benefits and costs of state facilities on local economies and governments and evaluation of a method to measure such costs and benefits on an ongoing basis. Particular attention should be paid to any extraordinary cost impacts on local law enforcement and criminal justice resources. The committee should consider such benefits and costs impacts from state hospitals and state institutions for the developmentally disabled on local economies and governments. In carrying out this review, the committee may develop a sample of both facilities and local communities in assessing these impacts, but such
a sample should reflect regional differences within the state. As part of its review, the committee may also assess comparable information from other states regarding the allocation of excess costs between state and local governments for the extraordinary impacts of state facilities. Where appropriate, the committee shall make recommendations for changes in how such costs are calculated and allocated, including recommendations on options for legislative consideration where economic costs from these institutions exceed their economic benefits on local jurisdictions. The committee shall provide a report of this review by December 1, 2005, to the appropriate legislative committees.

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

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

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

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2004) . . . . . . (($5,462,000))

$5,478,000

General Fund--State Appropriation (FY 2005) . . . . . . (($5,655,000))

$5,764,000

TOTAL APPROPRIATION . . . . . . . . . . . . ($11,127,000))

$11,242,000
Sec. 105. 2003 1st sp.s. c 25 s 110 (uncodified) is amended to read as follows:

**FOR THE LAW LIBRARY**

General Fund--State Appropriation (FY 2004) ................ ($2,045,000) $2,049,000

General Fund--State Appropriation (FY 2005) ................ $2,050,000

TOTAL APPROPRIATION ............................. ($4,095,000) $4,099,000

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

**FOR THE COURT OF APPEALS**

General Fund--State Appropriation (FY 2004) ................ ($12,510,000) $12,526,000

General Fund--State Appropriation (FY 2005) ................ ($12,747,000) $12,975,000

TOTAL APPROPRIATION ............................. ($25,257,000) $25,501,000

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

**FOR THE ADMINISTRATOR FOR THE COURTS**

General Fund--State Appropriation (FY 2004) ................ ($17,295,000) $17,374,000

General Fund--State Appropriation (FY 2005) ................ ($17,340,000) $18,036,000

Public Safety and Education Account--State Appropriation ................................ ($43,389,000) $43,534,000

Judicial Information Systems Account--State Appropriation ................................ ($27,903,000) $31,803,000

TOTAL APPROPRIATION ............................. ($105,292,000) $110,747,000

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) $750,000 of the general fund--state appropriation for fiscal
year 2004 and $750,000 of the general fund--state appropriation for
fiscal year 2005 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.

(3) $(12,572,000) $16,172,000 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.) Of this amount,
$1,100,000 is provided solely for disaster recovery planning,
equipment, and testing for the judicial information system.

(4) $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.

(5) $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.

(6) The distributions made under subsection (6) 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.

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

(8) $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 related costs for the office of the administrator for the courts pursuant to Engrossed Substitute Senate Bill No. 5990 (supervision of offenders).

(9) $1,800,000 of the public safety and education account appropriation is provided solely for distribution to the county clerks for the collection of legal financial obligations pursuant to Engrossed Substitute Senate Bill No. 5990 (supervision of offenders). The funding shall be distributed by the office of the administrator for the courts to the county clerks in accordance with the funding formula determined by the Washington association of county officials pursuant to Engrossed Substitute Senate Bill No. 5990 (supervision of offenders).
Sec. 108. 2003 1st sp.s. c 25 s 114 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE
General Fund--State Appropriation (FY 2004) ................ $666,000
General Fund--State Appropriation (FY 2005) ................ $884,000
Public Safety and Education Account--State
  Appropriation ............................................ (($12,395,000))
  TOTAL APPROPRIATION ................................. (($13,945,000))

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 office of public defense's costs in implementing chapter 303, Laws of 1999 (court funding).
(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.

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

FOR THE OFFICE OF THE GOVERNOR
General Fund--State Appropriation (FY 2004) ................ $3,773,000
General Fund--State Appropriation (FY 2005) ................ (($3,776,000))
  $4,011,000
General Fund--Federal Appropriation ......................... $1,140,000
Water Quality Account--State
  Appropriation ............................................. $3,854,000
  TOTAL APPROPRIATION ................................. (($12,543,000))
  $12,778,000

The appropriations in this section are subject to the following conditions and limitations: $3,854,000 of the water quality account appropriation and $1,140,000 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.
Sec. 110. 2003 1st sp.s. c 25 s 118 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

<table>
<thead>
<tr>
<th>Account</th>
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<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
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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>Archives and Records Management Account--State</td>
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<td>Department of Personnel Service Account--State</td>
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<td>Election Account--State Appropriation</td>
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<td>Election Account--Federal Appropriation</td>
<td>($13,121,000)</td>
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<td>Local Government Archives Account--State Appropriation</td>
<td>($7,067,000)</td>
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<td>$9,010,000</td>
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TOTAL APPROPRIATION ($77,432,000) $96,741,000

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 2003-05 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, 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) ($6,038,000 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.) $252,000 of the archives and records management account--state appropriation and $1,504,000 of the local government archives account--
state appropriation are provided solely for additional facility capital
costs, digital archive technology architecture costs, and additional
digital archive staff and operational costs, associated with the new
eastern regional archives and digital archives facility.

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

Sec. 111. 2003 1st sp.s. c 25 s 119 (uncodified) is amended to
read as follows:
FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS
General Fund--State Appropriation (FY 2004) ................ $228,000
General Fund--State Appropriation (FY 2005) ................ $239,000
TOTAL APPROPRIATION ................................. $467,000

Sec. 112. 2003 1st sp.s. c 25 s 121 (uncodified) is amended to
read as follows:
FOR THE STATE TREASURER
State Treasurer's Service Account--State
Appropriation ................................. ($13,149,000)
$13,463,000

Sec. 113. 2003 1st sp.s. c 25 s 122 (uncodified) is amended to
read as follows:
FOR THE STATE AUDITOR
General Fund--State Appropriation (FY 2004) ................ $701,000
General Fund--State Appropriation (FY 2005) ................ ($702,000)
$802,000
State Auditing Services Revolving Account--State
Appropriation ................................. $12,810,000
TOTAL APPROPRIATION ................................. ($14,213,000)
$14,313,000

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) $701,000 of the general fund--state appropriation for fiscal year 2004 and $702,000 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) $100,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for a review of emergency fire suppression costs in the department of natural resources. The state auditor's office shall coordinate this study with the joint legislative audit and review committee performance audit of the emergency fire suppression program. The state auditor's review of fire suppression costs shall examine payroll documents and invoices to determine if appropriate controls are in place to ensure that only appropriate emergency fires suppression costs are charged to the emergency fire suppression budget.

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

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2004) . . . . . . . . . . (($83,000))

$112,000

General Fund--State Appropriation (FY 2005) . . . . . . . . . . (($157,000))

$192,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . (($240,000))

$304,000

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

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2004) . . . . . . . . ($4,057,000)

$4,345,000

General Fund--State Appropriation (FY 2005) . . . . . . . . ($4,109,000)

$4,166,000

General Fund--Federal Appropriation . . . . . . . . . . . . . . $2,845,000
Public Safety and Education Account--State
Appropriation ............................................ $1,814,000

Tobacco Prevention and Control Account--State
Appropriation ............................................. $270,000

New Motor Vehicle Arbitration Account--State
Appropriation ............................................. $1,180,000

Legal Services Revolving Account--State
Appropriation ............................................. ($165,275,000)

TOTAL APPROPRIATION .................................. ($179,550,000)

$182,117,000

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.

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

FOR THE CASELOAD FORECAST COUNCIL
General Fund--State Appropriation (FY 2004) ............. ($638,000)

$668,000

General Fund--State Appropriation (FY 2005) ............. ($639,000)

$671,000

TOTAL APPROPRIATION ................................. ($1,277,000)

$1,339,000

Sec. 117. 2003 1st sp.s. c 25 s 126 (uncodified) is amended to read as follows:
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<td>General Fund--Federal Appropriation</td>
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<td>General Fund--Private/Local Appropriation</td>
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<td>Public Safety and Education Account--State Appropriation</td>
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<td>Public Works Assistance Account--State Appropriation</td>
<td>($1,913,000)</td>
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<td>Building Code Council Account--State Appropriation</td>
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<td>Administrative Contingency Account--State Appropriation</td>
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<td>Low-Income Weatherization Assistance Account--State</td>
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<td>Violence Reduction and Drug Enforcement Account--State</td>
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<td>Manufactured Home Installation Training Account--State</td>
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<td>Community Economic Development Account--State</td>
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<td>Washington Housing Trust Account--State Appropriation</td>
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<td>Public Facility Construction Loan Revolving Account--State</td>
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<td>Lead Paint Account--State Appropriation</td>
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<td>Developmental Disabilities Endowment Trust Fund--</td>
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<td>($392,805,000)</td>
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<td>TOTAL APPROPRIATION</td>
<td>$426,202,000</td>
</tr>
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</table>
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) $60,000 to the department for community-based advocacy services to victims of violent crime, other than sexual assault and domestic violence;

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

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

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

(m) $804,228 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) $125,000 of the general fund--state appropriation for fiscal year 2004 and $125,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for implementing the industries of the future strategy.

(5) $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 a contract with the Washington manufacturing services.

(6) $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.
(7) $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 a contract with international trade alliance of Spokane.

(8) $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, $4,250,000 of the general fund--federal appropriation, 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.

(9) ($697,000) $369,000 of the community economic development account appropriation and $120,000 of the developmental disabilities endowment trust fund appropriation are 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.

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

(11) ($300,000) $125,000 of the general fund--state appropriation for fiscal year 2004 and ($300,000) $475,000 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. In administering new and existing funding for the business retention and expansion program, the department of community, trade, and economic development shall ensure the program is funded at levels that meet or exceed the funding provided in the 2001-2003 biennium.

(12) $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.

(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 business development activities to conduct statewide and/or regional business recruitment and client lead generation services. In administering this funding, the department of community, trade, and economic development shall solicit recommendations from a statewide economic development organization representing associate development organizations.

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

(15) $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.

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

(17) $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 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.

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

(19) $65,000 of the general fund--state appropriation for fiscal year 2004 and $65,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to the funds provided in this subsection.
(20) 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 this chapter shall be made to the lender or contract collection agent as long as the loan is outstanding, notwithstanding the repeal of the chapter.

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

(22) $10,208,818 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 2005 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

(m) $800,051 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 those 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.

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

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

(a) The Opportunity Council, Bellingham, $15,000;
(b) Skagit Community Action, Skagit county, $12,000;
(c) The Opportunity Council, Island county, $11,000;
(d) Volunteers of America, Snohomish county, $10,616;
(e) Fremont Public Association, Seattle, $27,909;
(f) Metropolitan Development Council, Tacoma, $10,475;
(g) Community Voice Mail National, Olympia, $18,000;
(h) Council on Homelessness, Vancouver, $12,500;
(i) Chelan-Douglas Community Action, north central Washington, $13,000;
(j) Benton-Franklin Community Action, south central Washington, $17,500; and
(k) SNAP, Spokane, $15,000.

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

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

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

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

Sec. 118. 2003 1st sp.s. c 25 s 128 (uncodified) is amended to read as follows:
FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2004) . . . . . . . (($12,662,000))
$12,617,000

General Fund--State Appropriation (FY 2005) . . . . . . . (($12,383,000))
$12,568,000

General Fund--Federal Appropriation . . . . . . . . . . . . . (($23,500,000))
$23,924,000

Violence Reduction and Drug Enforcement
Account--State Appropriation . . . . . . . . . . . . . . . . . . $242,000

State Auditing Services Revolving
Account--State Appropriation . . . . . . . . . . . . . . . . . . $25,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . (($48,812,000))
$49,376,000

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

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

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

(3) $75,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the office of financial management to contract for an evaluation of the costs and benefits of additional
efforts aimed at encouraging K-12 employee collective bargaining units to elect coverage under public employee benefits board (PEBB) administered health care plans. This evaluation will include, but is not limited to, the following: A review of current processes for the procurement of health benefit coverage by K-12 employees; an assessment of the costs and benefits for the state, local school districts, and K-12 employees of moving to PEBB administered health care plans; and options for creating incentives for K-12 employee collective bargaining units moving to PEBB administered plans. The office of financial management shall report regarding the results of this study to the governor and the fiscal committees of the legislature by December 1, 2004.

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

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS
Administrative Hearings Revolving Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . (($24,619,000))
   $26,983,000

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

FOR THE DEPARTMENT OF PERSONNEL
Department of Personnel Service Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .  $16,247,000
Higher Education Personnel Services Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .  $1,612,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $17,859,000

The appropriations in this section are subject to the following conditions and limitations:
(1) The department is authorized to enter into a financing contract for up to (($32,095,000)) $38,911,000, plus necessary financing expenses and required reserves, pursuant to chapter 39.94 RCW. The contract shall be to purchase, develop, and implement 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.

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

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

FOR THE BOARD OF TAX APPEALS
General Fund--State Appropriation (FY 2004) ............. $1,141,000
General Fund--State Appropriation (FY 2005) ............. (($988,000))

TOTAL APPROPRIATION ............. (($2,129,000))

$2,219,000

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

FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES
OMWBE Enterprises Account--State
Appropriation ....................... $1,990,000

The appropriation in this section is subject to the following conditions and limitations:
(1) The office's revolving fund charges to state agencies may not exceed \((\$1,282,000)\) \(\$1,534,000\).

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

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

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

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION
General Fund--State Appropriation (FY 2004) ................ \((\$193,000)\) \(\$235,000\)
General Fund--State Appropriation (FY 2005) ................ \((\$275,000)\) \(\$233,000\)
General Fund--Federal Appropriation ......................... \((\$3,215,000)\) \(\$3,865,000\)
General Administration Services Account--State
Appropriation ........................................ \((\$38,086,000)\) \(\$38,856,000\)
TOTAL APPROPRIATION ............................... \((\$41,769,000)\) \(\$43,189,000\)

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

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS
Dependent Care Administrative Account--State
Appropriation ........................................ \(\$384,000\)
Department of Retirement Systems Expense Account--
State Appropriation .................................. \((\$44,485,000)\) \(\$44,899,000\)
TOTAL APPROPRIATION ............................... \((\$44,869,000)\) \(\$45,283,000\)

The appropriations in this section are subject to the following conditions and limitations:
(1) $31,000 of the retirement systems expense account appropriation is provided solely to implement House Bill No. 1519, chapter 155, Laws of 2003 (unreduced duty death survivor benefits).

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

(3) $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.

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

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

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

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

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

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

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

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

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

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

FOR THE INSURANCE COMMISSIONER
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . $631,000
Insurance Commissioners Regulatory Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $(32,307,000)
   $33,209,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $(32,938,000)
   $33,840,000

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

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

FOR THE HORSE RACING COMMISSION
Horse Racing Commission Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $4,609,000
The appropriation in this section is subject to the following
conditions and limitations: During fiscal year 2005, the commission
may increase license fees in excess of the fiscal growth factor as
provided in RCW 43.135.055.

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

FOR THE LIQUOR CONTROL BOARD

General Fund--State Appropriation (FY 2004) ................ $1,454,000
General Fund--State Appropriation (FY 2005) ................ $1,455,000
Liquor Control Board Construction and Maintenance
   Account--State Appropriation ............................... $5,717,000
Liquor Revolving Account--State
   Appropriation ............................................... ($133,842,000)
   $134,918,000
   TOTAL APPROPRIATION ...................................... ($142,468,000)
   $143,544,000

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, with priority placed on the point-of-
   sale component of the 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)) the merchandising business system solution, with
   priority placed on the point-of-sale component of the system. These
   costs include hiring system-related staff and procuring system-related
   hardware and software.

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

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

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

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Account--State
Appropriation ............... ............... ............... ............... ............... ............... ((=$25,872,000))
$26,458,000

Pipeline Safety Account--State
Appropriation ............... ............... ............... ............... $2,768,000

Pipeline Safety Account--Federal
Appropriation ............... ............... ............... ............... $1,041,000
TOTAL APPROPRIATION ............... ............... ............... ............... ((=$29,681,000))
$30,267,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) The commission shall report back to the appropriate policy
committees of the legislature by July 1st of 2003 and 2004 a list of
authorized out-of-state travel for the preceding calendar year.

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

(4) $200,000 of the public services revolving account
appropriation is provided solely for an interagency transfer to the
joint legislative audit and review committee for the implementation of
Substitute House Bill No. 1013 (UTC performance audit). If the bill is
not enacted by June 30, 2003, the amount provided in this subsection
shall lapse.)
Sec. 129. 2003 1st sp.s. c 25 s 150 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2004)</td>
<td>(($8,486,000))</td>
</tr>
<tr>
<td></td>
<td>$8,578,000</td>
</tr>
<tr>
<td>General Fund--State Appropriation (FY 2005)</td>
<td>(($8,223,000))</td>
</tr>
<tr>
<td></td>
<td>$8,466,000</td>
</tr>
<tr>
<td>General Fund--Federal Appropriation</td>
<td>(($72,094,000))</td>
</tr>
<tr>
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<td>$143,243,000</td>
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<tr>
<td>General Fund--Private/Local Appropriation</td>
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</tr>
<tr>
<td></td>
<td>$371,000</td>
</tr>
<tr>
<td>Enhanced 911 Account--State Appropriation</td>
<td>(($33,955,000))</td>
</tr>
<tr>
<td></td>
<td>$33,955,000</td>
</tr>
<tr>
<td>Disaster Response Account--State Appropriation</td>
<td>(($190,000))</td>
</tr>
<tr>
<td></td>
<td>$3,387,000</td>
</tr>
<tr>
<td>Disaster Response Account--Federal Appropriation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$7,857,000</td>
</tr>
<tr>
<td>Worker and Community Right to Know Fund--State Appropriition</td>
<td>(($290,000))</td>
</tr>
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<td>$290,000</td>
</tr>
<tr>
<td>Nisqually Earthquake Account--State Appropriation</td>
<td>(($12,128,000))</td>
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<tr>
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<td>$17,869,000</td>
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<tr>
<td>Nisqually Earthquake Account--Federal Appropriation</td>
<td>(($48,725,000))</td>
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<td></td>
<td>$62,103,000</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
<td>(($185,462,000))</td>
</tr>
<tr>
<td></td>
<td>$286,119,000</td>
</tr>
</tbody>
</table>

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. (($10,128,000)) $14,869,000 of the Nisqually earthquake account--state appropriation and (($48,725,000)) $62,103,000 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, $200,000 of the general fund--state appropriation for fiscal year 2005, and ($43,555,000) $105,952,000 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, $200,000 of the general fund--state appropriation for fiscal
1 year 2005, and \((\$200,000)\) \$2,713,000 of the general fund--federal
2 appropriation to the department to conduct the terrorism consequence
3 management program;
4 (c) \$100,000 of the general fund--federal appropriation to the
5 department to conduct a critical infrastructure assessment;
6 (d) \((\$500,000)\) \$674,000 of the general fund--federal
7 appropriation to the office of financial management for the citizen
8 corps and the community emergency response teams;
9 (e) \$1,384,000 of the general fund--federal appropriation to the
10 department to provide homeland security exercise and training
11 opportunities to state and local governments, and to develop, monitor,
12 coordinate, and manage statewide homeland security programs, including
13 required grant administration, monitoring, and reporting;
14 (f) \((\$29,917,000)\) \$89,677,000 of the general fund--federal
15 appropriation for other anticipated homeland security needs. This
16 amount shall not be allotted until a spending plan is approved by the
17 governor's domestic security advisory group and the office of financial
18 management;
19 (g) The remaining general fund--federal appropriation may be
20 expended according to federal requirements;
21 (h) Federal moneys shall be carried forward and applied to the pool
22 of moneys available for appropriation for programs and projects in the
23 succeeding fiscal year. Funding is contingent upon receipt of federal
24 awards. As part of its budget request in each year, the department
25 shall estimate and request authority to spend any federal funds
26 remaining available as a result of this subsection;
27 (i) The department shall submit a quarterly report to the office of
28 financial management and the legislative fiscal committees detailing
29 the governor's domestic security advisory group recommendations;
30 homeland security revenues and expenditures, including estimates of
31 total federal funding for Washington state; incremental changes from
32 the previous estimate, planned and actual homeland security
33 expenditures by the state and local governments with this federal
34 funding; and matching or accompanying state or local expenditures.

Sec. 130. 2003 1st sp.s. c 25 s 151 (uncodified) is amended to
read as follows:
FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2004) ........ $2,362,000
General Fund--State Appropriation (FY 2005) ........ (($2,436,000))

Department of Personnel Service Account--State

Appropriation .................. $2,542,000

TOTAL APPROPRIATION ........ (($7,340,000))

$7,300,000

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

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund--State Appropriation (FY 2005) ........ $613,000
General Fund--Federal Appropriation .................. $726,000
General Fund--Private/Local Appropriation ........... $9,000

TOTAL APPROPRIATION .................. $1,348,000

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

(End of part)
Sec. 201. 2003 1st sp.s. c 25 s 201 (uncodified) is amended to read as follows:

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.

(2) The department of social and health services shall not initiate any services that 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)(a) 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. However, after May 1, 2004, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2004 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for
a specified purpose except as expressly provided in subsection (3)(b) of this section.

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

(c) The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any allotment modifications.

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

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

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

General Fund--State Appropriation (FY 2004) . . . . . (($231,566,000))
$219,294,000
General Fund--State Appropriation (FY 2005) . . . . . (($232,468,000))
$229,148,000
General Fund--Federal Appropriation . . . . . . . . (($416,043,000))
$422,639,000
General Fund--Private/Local Appropriation . . . . . . . $400,000
Public Safety and Education Account--
State Appropriation . . . . . . . . . . . . . (($23,920,000))
$21,488,000
Violence Reduction and Drug Enforcement Account--
State Appropriation . . . . . . . . . . . . . (($5,640,000))
$1,488,000
TOTAL APPROPRIATION . . . . . . . (($910,037,000))
$894,457,000

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

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

(6) 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.

(7) $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.
(8) $2,000,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for domestic violence services, including $65,000 for domestic violence shelter operating costs in Shelton.

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

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

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

General Fund--State Appropriation (FY 2004) . . . . . . . ((($74,095,000)) $73,482,000

General Fund--State Appropriation (FY 2005) . . . . . . . ((($72,697,000)) $71,689,000

General Fund--Federal Appropriation . . . . . . . . . . . ((($12,062,000)) $11,752,000

General Fund--Private/Local Appropriation . . . . . . . . . $1,098,000

Juvenile Accountability Incentive Account--Federal Appropriation . . . . . . . . . ((($9,139,000)) $7,300,000

Violence Reduction and Drug Enforcement Account--

State Appropriation . . . . . . . . . . . . . . . . . . . . . . ((($37,338,000)) $37,699,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . ((($206,429,000)) $203,020,000

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

(1) $695,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.
(2) $6,065,000 of the violence reduction and drug enforcement account appropriation is provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

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

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

(5) $100,000 of the general fund--state appropriation for fiscal 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.

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

$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.

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 for public policy.

$308,000 of the general fund--state appropriation for fiscal year 2004 and ($875,000) $580,000 of the
general fund--state appropriation for fiscal year 2005 are provided
solely to reimburse counties for local juvenile disposition
alternatives implemented pursuant to Senate Bill No. 5903 (juvenile
offender sentencing). The juvenile rehabilitation administration, in
consultation with the juvenile court administrators, shall develop an
equitable distribution formula for the funding provided in this
subsection. The juvenile rehabilitation administration may 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 in this
section. If the bill is not enacted by June 30, 2003, the amounts
provided in this subsection shall lapse.

((14)) (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 Washington state 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.

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH
PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

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<td>$200,251,000</td>
<td>$213,832,000</td>
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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 that 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 disability services administration for the general fund--state cost of medicaid personal care services that enrolled regional support network consumers use because of their psychiatric disability.

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2004) . . . . . . (($94,196,000))
   $86,607,000

General Fund--State Appropriation (FY 2005) . . . . . . (($92,964,000))
   $87,592,000

General Fund--Federal Appropriation . . . . . . . . . (($134,755,000))
   $146,945,000

General Fund--Private/Local Appropriation . . . . . . (($26,342,000))
   $29,063,000

   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . (($348,257,000))
   $350,207,000

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.

(c) $124,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for implementation of Senate Bill No. 6358 (treatment orders). If Senate Bill No. 6358 is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(3) CIVIL COMMITMENT
General Fund--State Appropriation (FY 2004) . . . . . (($28,695,000))

$29,194,000

General Fund--State Appropriation (FY 2005) . . . . . (($32,081,000))

$34,400,000

TOTAL APPROPRIATION . . . . . . . . . . . . . (($60,776,000))

$63,594,000

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 public safety mitigation funding for jurisdictions affected by the placement of (less restrictive alternative facilities for persons conditionally released from the special commitment center facility being constructed) the secure community transition facility on McNeil Island. Of this amount, $45,000 per year shall be provided to the city of Lakewood on September 1, 2003, and September 1, 2004, for police protection (reimbursement) services provided by the city at Western State Hospital and adjacent areas((; up to $45,000 per year shall be provided on September 1, 2003, and September 1, 2004, for training police personnel under chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151)); up to $125,000 per year shall be provided to Pierce county on September 1, 2003, and September 1,
2004, 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). Of the remaining $255,000 per year, the department shall reimburse the affected jurisdictions for their documented costs that have been negotiated in an interagency agreement between the department and each jurisdiction, as follows:

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

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

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

((c) $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.))

(b) $4,000 of the general fund--state appropriation for fiscal year 2004 and $354,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for mitigation costs associated with the development and occupancy of the secure community transition facility in Seattle, as described in the settlement agreement dated February 3, 2004, between the department and the city of Seattle. If City of Seattle v. DSHS, King County Superior Court Cause No. 03-2-37882-SEA is not dismissed with prejudice by July 1, 2004, this appropriation shall lapse. If the proceeding requested by the city under RCW 71.09.342(5) is not withdrawn or dismissed with prejudice by July 1, 2004, this appropriation shall lapse.
(c) $1,212,000 of the general fund--state appropriation for fiscal year 2004 and $1,260,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for legal fees charged to the special commitment program, including increased hourly rates.

(4) SPECIAL PROJECTS

General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . $2,082,000

(5) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2004) . . . . . . . . $(2,863,000) $3,124,000
General Fund--State Appropriation (FY 2005) . . . . . . . . $(2,751,000) $3,208,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $(5,011,000) $5,918,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $(10,625,000) $12,250,000

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

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

(b) $50,000 of the general fund--state appropriation for fiscal year 2004 and $50,000 of the general fund--federal appropriation are provided solely for a study of the prevalence of mental illness among the state's regional support networks. The study shall examine how reasonable estimates of the prevalence of mental illness relate to the incidence of persons enrolled in medical assistance programs in each regional support network area. In conducting this study, the department shall consult with the joint legislative audit and review committee, regional support networks, community mental health providers, and mental health consumer representatives. The department shall submit a final report on its findings to the fiscal, health care, and human services committees of the legislature by November 1, 2003.
(c) $53,000 of the general fund--state appropriation and $47,000 of the general fund--federal appropriation for fiscal year 2005 are provided solely for development of a plan for maintaining and increasing the number of beds available for treatment of persons experiencing acute psychiatric emergencies. The plan is to provide an estimate of the number of state hospital and community acute care beds needed in different areas of the state, and to estimate the construction and operating cost of meeting that need under alternative operating arrangements.

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

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

(1) COMMUNITY SERVICES

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

$250,633,000

General Fund--State Appropriation (FY 2005) . . . . . . . (($268,826,000))

$274,037,000

General Fund--Federal Appropriation . . . . . . . . . . . (($439,489,000))

$452,815,000

Health Services Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,038,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . (($971,811,000))

$978,523,000

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

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

(b) 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.

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

(d) ($511,000) $563,000 of the general fund--state appropriation
for fiscal year 2004, ($616,000) $1,390,000 of the general fund--
state appropriation for fiscal year 2005, and ($1,073,000) $1,905,000
of the general fund--federal appropriation are provided solely for
expanded community services for persons with developmental disabilities
who also have community protection issues or are diverted or discharged from state psychiatric hospitals or who are released from mentally ill offender beds. The department shall ensure that the average cost per day for all program services other than average start-up costs shall not exceed $300. The department shall electronically report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of persons served with these additional community services, where they were residing, what kinds of services they were receiving prior to placement, and the actual expenditures for all community services to support these clients.

(e) 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.

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

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

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

(i) $312,000 of the general fund--state appropriation for fiscal year 2005 and $290,000 of the general fund--federal appropriation are
provided solely to increase payments to agency homecare providers from $14.27 per hour to $14.93 per hour, effective October 1, 2004. The amounts in this subsection shall be used to increase compensation for direct care workers by 50 cents per hour. The amounts in this subsection also include the funds needed for the employer share of unemployment and social security taxes on the amount of the increase.

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

(2) INSTITUTIONAL SERVICES
General Fund--State Appropriation (FY 2004) . . . . . (($71,862,000)) $67,708,000
General Fund--State Appropriation (FY 2005) . . . . . (($70,926,000)) $70,794,000
General Fund--Federal Appropriation . . . . . . . . . (($144,682,000)) $148,998,000
General Fund--Private/Local Appropriation . . . . . . $11,228,000
TOTAL APPROPRIATION . . . . . . . . . . . . . (($298,698,000)) $298,728,000

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 more 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) . . . . . (($2,245,000)) $2,474,000
General Fund--State Appropriation (FY 2005) . . . . . (($2,245,000)) $3,208,000
General Fund--Federal Appropriation . . . . . . . . . (($2,965,000)) $4,214,000
Telecommunications Devices for the Hearing and Speech Impaired Account Appropriation . . . . . . (($1,782,000)) $891,000
Sec. 206. 2003 1st sp.s. c 25 s 206 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2004) . . . . . . . (($557,645,000))

General Fund--State Appropriation (FY 2005) . . . . . . . (($570,669,000))

General Fund--Federal Appropriation . . . . . . . . . . . (($1,162,511,000))

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

Health Services Account--State Appropriation . . . . . . . $4,888,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . (($2,314,357,000))

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 200 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) $1,768,000 of the general fund--state appropriation for fiscal year 2004 and $1,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for operation of the volunteer chore services program.
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 based on 1999 cost report data and established in accordance with chapter 74.46 RCW shall be adjusted for economic trends and conditions by 3.0 percent effective July 1, 2003, and by an additional 1.9 percent effective July 1, 2004. $5,661,000 of the general fund--state appropriation for fiscal year 2005 and $5,619,000 of the general fund--federal appropriation for fiscal year 2005 are provided solely for the July 1, 2004, rate increase.

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

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; up to $32 million of increased asset value completed and ready for occupancy in fiscal year 2005; and up to $32 million of increased asset value completed and ready for occupancy in fiscal year 2006.

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.

In accordance with chapter 74.39 RCW, the department may implement two medicaid waiver programs for persons who do not qualify for such services as categorically needy, subject to federal approval and the following conditions and limitations:
(a) **One** waiver program shall include coverage of care in community residential facilities. Enrollment in the waiver shall not exceed 600 persons **by the end of fiscal year 2004, nor 600 persons by the end of fiscal year 2005** at any time.

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

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

(d) The department shall track and electronically report to 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, how those services were being paid for, and an assessment of their adequacy.

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

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

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

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

(c) The appropriate interdisciplinary team shall conduct the evaluation.
(d) If appropriate, the department shall coordinate with the local mental health authority.

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

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

(10) 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.

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

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

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

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

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

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

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

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM

General Fund--State Appropriation (FY 2004) . . . . . (($408,184,000)) $445,968,000

General Fund--State Appropriation (FY 2005) . . . . . (($407,363,000)) $429,503,000

General Fund--Federal Appropriation . . . . . . . . . . (($1,209,758,000))
The appropriations in this section are subject to the following conditions and limitations:

(1) $273,652,000 of the general fund--state appropriation for fiscal year 2004, $273,695,000 of the general fund--state appropriation for fiscal year 2005, and $1,000,222,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. Within the amounts 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; and

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

(2) ($45,639,000) $57,547,000 of the general fund--state appropriation for fiscal year 2004 and ($39,335,000) $52,570,000 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) ($1,436,000) $936,000 of the general fund--state appropriation for fiscal year 2004 and ($1,436,000) $936,000 of the general fund--state appropriation for fiscal year 2005 are provided for the department to assist in naturalization efforts for legal aliens whose eligibility for federal supplemental security income has expired. The department shall use funding previously spent on general assistance employment supports for these naturalization services.

(4) $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.

(5) $9,142,000 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.

(6) 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.

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

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

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

General Fund--State Appropriation (FY 2004) . . . . . ($40,320,000) $39,829,000

General Fund--State Appropriation (FY 2005) . . . . . ($40,320,000) $40,551,000

General Fund--Federal Appropriation . . . . . . . . . ($90,632,000) $94,105,000

General Fund--Private/Local Appropriation . . . . . . . $630,000
Public Safety and Education Account--State
  Appropriation .................. (($7,160,000))
  $2,660,000
Criminal Justice Treatment Account--State
  Appropriation .................. $8,950,000
Violence Reduction and Drug Enforcement Account--
  State Appropriation ............ (($44,342,000))
  $48,842,000
  TOTAL APPROPRIATION ........... (($232,354,000))
  $235,567,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) $966,197 of the general fund--state appropriation for fiscal
year 2004 and $966,197 of the general fund--state appropriation for
fiscal year 2005 are provided solely for the parent child assistance
program. The department shall contract with the University of
Washington and community-based providers in Spokane and Yakima for the
provision of this program. For all contractors, indirect charges for
administering the program shall not exceed ten percent of the total
contract amount.
(2) $250,000 of the general fund--state appropriation for fiscal
year 2005 is provided for the Washington state mentoring partnership.

Sec. 209. 2003 1st sp.s. c 25 s 209 (uncodified) is amended to
read as follows:
FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE
PROGRAM
General Fund--State Appropriation (FY 2004) .... (($1,184,774,000))
  $1,119,077,000
General Fund--State Appropriation (FY 2005) .... (($1,265,423,000))
  $1,240,183,000
General Fund--Federal Appropriation .......... (($3,764,258,000))
  $3,877,845,000
General Fund--Private/Local Appropriation .... (($262,736,000))
  $268,296,000
Emergency Medical Services and Trauma Care Systems
  Trust Account--State Appropriation ........ (($23,700,000))
  $14,004,000
Health Services Account--State Appropriation . . . . (($756,012,000))

$705,591,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . (($7,256,903,000))

$7,224,996,000

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

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

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

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

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

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

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

   c. The department shall establish more restrictive eligibility standards than specified in this subsection to the extent necessary to operate the program within appropriated funds; and
(d) The department may require point-of-service copayments as appropriate, except that copayments shall not be so high as to discourage appropriate service utilization, particularly of prescription drugs needed for the treatment of psychiatric conditions.

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

(6) Sufficient funds are appropriated in this section for the department to provide an adult dental benefit equivalent to approximately 75 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.

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

(8) In accordance with RCW 74.46.625, $35,953,000 of the fiscal year 2004 health services account appropriation, $20,577,000 of the fiscal year 2005 health services account appropriation, and $61,037,000 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 91.9 percent of the supplemental payments; (b) a contractual commitment by the association of public hospital districts to return at least 8.1 percent of the supplemental payments to the participating rural hospital districts; and (c) 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. A hospital which does not participate in the supplemental payment intergovernmental transfer budgeted for fiscal year 2003 shall not be eligible to participate in the supplemental payments budgeted in this subsection for fiscal year((s)) 2004 ((and 2005)). The participating districts shall retain no more than a total of $9,600,000 for the 2003-05 biennium.
(9) (($14,616,000)) $12,318,000 of the health services account appropriation for fiscal year 2004, (($12,394,000)) $10,738,000 of the health services account appropriation for fiscal year 2005, and (($27,010,000)) $23,056,000 of the general fund--federal appropriation are provided solely for additional disproportionate share and medicare upper payment limit payments to public hospital districts and to the state's teaching hospitals. The payments shall be conditioned upon a contractual commitment by the participating public hospitals 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 teaching hospitals' limits as established under federal rule, whichever is less.

(10) (($3,100,000)) $3,178,000 of the health services account appropriation, (($8,416,000)) $4,208,000 of the general fund--local appropriation, and (($11,516,000)) $7,308,000 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, to the extent allowed by the federal medicaid program.

(11) (($26,080,000)) $36,002,000 of the health services account appropriation and $26,080,000 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, to the extent allowed by the federal medicaid program.

((13)) (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 medicaid management information system replacement project shall comply with section 902, chapter 25, Laws of 2003 1st sp. sess.

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

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

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

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

((18)) (17) 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
under-served areas), in a manner that promotes health plan efficiency,
encourages continuity of service, and assures access in underserved
areas.

((19)) (18) 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.

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

((21)) (20) For purposes of RCW 74.09.800(2), ($9,549,000)
$8,017,000 of the general fund--state appropriation for fiscal year
2004, ($10,779,000) $8,454,000 of the general fund--state
appropriation for fiscal year 2005, and ($37,753,000) $30,588,000 of
the general fund--federal appropriation are provided solely to provide
prenatal 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. If the department is unable to
secure federal matching funds under Title XXI of the social security
act, the department shall take all actions necessary to manage the
program within these appropriated levels.

(21) $12,830,000 of the health services account appropriation for
fiscal year 2004, $11,008,000 of the health services account
appropriation for fiscal year 2005, and $23,838,000 of the general
fund--federal appropriation are provided solely for additional
disproportionate share hospital payments to public hospital districts.
The payments shall be conditioned upon a contractual commitment by the
participating hospital districts to make an intergovernmental transfer
to the health services account equal to at least 91 percent of the
additional disproportionate share payment. The participating districts
shall retain no more than $4,427,000 of the total additional amount
paid.
Sec. 210. 2003 1st sp.s. c 25 s 210 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2004) ........ ($10,180,000)) $10,172,000
General Fund--State Appropriation (FY 2005) ........ ($10,202,000)) $10,191,000
General Fund--Federal Appropriation ............... ($85,803,000)) $85,804,000
General Fund--Local Appropriation .................. $440,000
Telecommunications Devices for the Hearing and Speech Impaired Account--State Appropriation ........... $891,000
TOTAL APPROPRIATION .............................. ($106,625,000)) $107,498,000

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

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

General Fund--State Appropriation (FY 2004) ........ ($35,926,000)) $36,495,000
General Fund--State Appropriation (FY 2005) ........ ($25,968,000)) $28,251,000
General Fund--Federal Appropriation ................ ($45,752,000)) $47,088,000
General Fund--Private/Local Appropriation .......... $810,000
Public Safety and Education Account--State Appropriation ................ $2,444,000
Violence Reduction and Drug Enforcement Account--
State Appropriation ..................................... $4,152,000
TOTAL APPROPRIATION .............................. ($108,456,000)) $119,240,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $467,000 of the general fund--state appropriation for fiscal year 2004, $769,000 of the general fund--state appropriation for fiscal year 2005, and $1,236,000 of the general fund--federal appropriation.
are provided solely for transition costs associated with the downsizing effort at Fircrest school. The department shall organize the downsizing effort so as to minimize disruption to clients, employees, and the developmental disabilities program. The employees responsible for the downsizing effort shall report to the assistant secretary of the aging and disability services administration. Within the funds provided in this subsection, the department shall:

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

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

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

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

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

(2) $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 shall transfer appropriate portions of this amount to other programs within the agency to accomplish this purpose. The department shall not initiate new services with this funding that will cause total future SSP expenditures to exceed the required annual maintenance-of-effort level.

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

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

General Fund--State Appropriation (FY 2004) . . . . . . ($42,011,000)
$43,454,000

General Fund--State Appropriation (FY 2005) . . . . . . ($42,011,000)
$43,493,000

General Fund--Federal Appropriation . . . . . . . . . . . . . . ($41,994,000)
$43,321,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . ($126,016,000)
$130,268,000

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

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

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

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

FOR THE STATE HEALTH CARE AUTHORITY
State Health Care Authority Administrative
Account--State Appropriation . . . . . . . . . . . . . . . . ($17,665,000)
$18,942,000

Health Services Account--State Appropriation . . . ($415,459,000)
$415,540,000

Code Rev/LL:seg 67 S-4913.3/04 3rd draft
The appropriations in this section are subject to the following conditions and limitations:

1. The health services account--state appropriation contains funding to provide dental care at community clinics for persons who are not current medicaid recipients, and for interpreter services to support dental and medical services for persons for whom interpreters are not available from any other source.

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

3. 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 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 below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at the minimum premium amount charged to enrollees with incomes below sixty-five percent of the federal poverty level.

4. 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 133 percent of the premium amount which would otherwise be due
from the sponsored enrollees.

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

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

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

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

(c) Develop clear audit and data requirements for contracting
managed health care plans and improve consistency between claims
processing and published fee schedules;
(d) Conform billing codes with providers and between agencies with national and regional standards wherever possible; and

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

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

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account--State

Appropriation .................. .................. $20,000

Accident Account--State Appropriation ........... (($15,065,000))

$16,244,000

Medical Aid Account--State Appropriation ........ (($15,064,000))

$16,242,000

TOTAL APPROPRIATION ........... (($30,149,000))

$32,506,000

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

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

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2004) .............. $5,863,000

General Fund--State Appropriation (FY 2005) ............... (($5,860,000))

$6,145,000

Public Safety and Education Account--State

Appropriation .................. .................. $22,391,000

Public Safety and Education Account--Federal

Appropriation .................. .................. $8,462,000

Asbestos Account--State Appropriation ............... (($693,000))
<table>
<thead>
<tr>
<th>Description</th>
<th>Appropriation</th>
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<tbody>
<tr>
<td>Electrical License Account--State</td>
<td>$717,000</td>
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<tr>
<td>Appropriation</td>
<td>($28,966,000)</td>
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<td>Farm Labor Revolving Account--Private/Local</td>
<td>$29,589,000</td>
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<tr>
<td>Appropriation</td>
<td>$28,000</td>
</tr>
<tr>
<td>Worker and Community Right-to-Know Account--State</td>
<td>($2,544,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$2,557,000</td>
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<tr>
<td>Public Works Administration Account--State</td>
<td>($2,411,000)</td>
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<tr>
<td>Appropriation</td>
<td>$2,477,000</td>
</tr>
<tr>
<td>Accident Account--State Appropriation</td>
<td>($187,843,000)</td>
</tr>
<tr>
<td>Accident Account--Federal Appropriation</td>
<td>$188,389,000</td>
</tr>
<tr>
<td>Medical Aid Account--State Appropriation</td>
<td>($186,724,000)</td>
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<tr>
<td>Medical Aid Account--Federal Appropriation</td>
<td>$188,208,000</td>
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<tr>
<td>Plumbing Certificate Account--State</td>
<td>($1,451,000)</td>
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<tr>
<td>Appropriation</td>
<td>$1,490,000</td>
</tr>
<tr>
<td>Pressure Systems Safety Account--State</td>
<td>($2,807,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$2,878,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>($472,399,000)</td>
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<td>$475,550,000</td>
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</tbody>
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The appropriations in this section are subject to the following conditions and limitations:

1. $90,000 of the electrical license account--state appropriation and $206,000 of the plumbing certificate account--state appropriation are provided solely to implement Engrossed 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.

2. $165,000 of the accident account--state appropriation is provided solely for the purpose of collecting and analyzing data related to pesticide exposure of agricultural workers, including the costs of training and testing-related travel. $860,000
of the medical aid account--state appropriation is provided solely for contracting with medical laboratories, health care providers, and other appropriate entities to provide cholinesterase medical monitoring of farm workers who handle cholinesterase-inhibiting pesticides, and to collect and analyze data related to such monitoring.  If Senate Bill No. 6599 is not enacted by June 30, 2004, the medical aid account--state funding provided in this subsection shall lapse and the appropriation from the accident account--state shall be increased by $279,000.

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

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

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

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2004) . . . . . . . (($1,527,000))

$1,531,000

General Fund--State Appropriation (FY 2005) . . . . . . . (($1,523,000))

$1,536,000

Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . $11,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . (($3,066,000))

$3,078,000

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2004) . . . . . . . (($2,579,000))

$2,588,000

General Fund--State Appropriation (FY 2005) . . . . . . . (($2,579,000))
General Fund--Federal Appropriation . . . . . . . . . . . $309,000
General Fund--Private/Local Appropriation . . . . . . . $1,668,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . (($7,135,000))

$7,161,000

(3) INSTITUTIONAL SERVICES
General Fund--State Appropriation (FY 2004) . . . . . . . (($7,473,000))

$7,380,000
General Fund--State Appropriation (FY 2005) . . . . . . . (($5,890,000))

$6,020,000
General Fund--Federal Appropriation . . . . . . . . . . . (($27,207,000))

$27,365,000
General Fund--Private/Local Appropriation . . . . . . . $27,822,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . (($68,392,000))

$68,587,000

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

FOR THE HOME CARE QUALITY AUTHORITY
General Fund--State Appropriation (FY 2004) . . . . . . . (($412,000))

$345,000
General Fund--State Appropriation (FY 2005) . . . . . . . (($259,000))

$1,256,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . (($671,000))

$1,601,000

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

(1) (($150,000)) $98,000 of the general fund--state appropriation for fiscal year 2004 (45) and $212,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the design and development of (the) a home care provider referral registry ((mandated by Initiative Measure No. 775)) as provided in RCW 74.39A.250. The authority and the department of social and health services shall jointly report to the fiscal committees of the legislature by December 1, 2004, with a plan for operating the regional and local components of the registry through cooperative agreements with area agencies on aging or the department's home and community...
services offices, within current state funding levels for those programs.

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

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

FOR THE DEPARTMENT OF HEALTH
General Fund--State Appropriation (FY 2004) ........ (($58,143,000)) $57,853,000
General Fund--State Appropriation (FY 2005) ........ (($60,224,000)) $60,121,000
Health Services Account--State Appropriation ........ (($34,289,000)) $36,989,000
General Fund--Federal Appropriation ............... (($348,897,000)) $392,995,000
General Fund--Private/Local Appropriation .......... $93,601,000
Hospital Commission Account--State Appropriation ........ $2,490,000
Health Professions Account--State Appropriation ........ (($40,097,000)) $40,285,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation ............... $12,558,000
Safe Drinking Water Account--State Appropriation ........ $2,728,000
Drinking Water Assistance Account--Federal Appropriation ........ (($13,498,000)) $15,654,000
Waterworks Operator Certification--State Appropriation ........ (($633,000)) $1,053,000
Drinking Water Assistance Administrative Account--
State Appropriation ............... $326,000
Water Quality Account--State Appropriation ........ $3,359,000
Accident Account--State Appropriation .................................. $258,000
Medical Aid Account--State Appropriation .............................. $46,000
State Toxics Control Account--State Appropriation .................. $2,761,000
Medical Test Site Licensure Account--State Appropriation ........ $1,718,000
Youth Tobacco Prevention Account--State Appropriation ............. $1,806,000
Tobacco Prevention and Control Account--State Appropriation ....... $52,510,000
TOTAL APPROPRIATION .......................................... ($729,616,000)

$779,111,000

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, psychiatrically impaired children and youth residential treatment, in-home services, and midwives in excess of the fiscal growth factor established by Initiative Measure No. 601, if necessary, to meet the actual costs of conducting business and the appropriation levels in this section.

(2) $1,337,000 of the general fund--state fiscal year 2004 appropriation and $1,338,000 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) \$24,350,000 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 (chapter 241, Laws of 2003, web-based vital records).

(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.

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

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

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

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) . . . .  (($38,317,000))

          $36,534,000
General Fund--State Appropriation (FY 2005) . . . .  (($35,473,000))

          $38,835,000
Public Safety and Education Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $3,657,000
Violence Reduction and Drug Enforcement
Account Appropriation . . . . . . . . . . . . . . . . . . $26,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . .  (($77,473,000))

          $79,052,000
The appropriations in this subsection are subject to the following
conditions and limitations: (($3,250,000)) $700,000 of the general
fund--state appropriation for fiscal year 2004 ((i5)) and $2,550,000 of
the general fund--state appropriation for fiscal year 2005 are provided
solely for the continuation of phase two of the department's offender-
based tracking system replacement project. This amount is conditioned
on the department satisfying the requirements of section 902 of this
act.

(2) CORRECTIONAL OPERATIONS
General Fund--State Appropriation (FY 2004) . . . .  (($441,122,000))

          $458,402,000
General Fund--State Appropriation (FY 2005) . . . .  (($449,520,000))
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 recovery of costs.

(b) 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.

(c) 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.

(d) During the 2003-05 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.

(e) 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.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2004) . . . . . . . ($73,952,000)

$87,626,000

General Fund--State Appropriation (FY 2005) . . . . . . . ($74,200,000)

$88,564,000

Public Safety and Education

Account--State Appropriation . . . . . . . . . . . . . . $15,492,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . ($163,644,000)

$191,682,000

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).

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

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

(ii) The pilot project shall be of sufficient size to test the reliability of the technology in a variety of geographical circumstances including both urban and rural locations.
(iii) The pilot project shall test the system using sex or kidnapping offenders under the jurisdiction of the department of corrections and persons civilly committed under chapter 71.09 RCW under a variety of supervision circumstances. Offenders included in the pilot project shall be offenders who have been classified as level three offenders by the end of sentence review committee and over whom the department of corrections has authority to establish conditions of supervision or persons who have been ordered to be electronically monitored by the court in a proceeding under chapter 71.09 RCW and who have been classified as level three offenders by the end of sentence review committee.

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

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

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

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

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

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

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

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

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

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

(I) Limitations in the pilot project to determining the answers to the items in this subsection (3)(c)(v).
The association shall make a recommendation in the report about the
frequency and timing of monitoring reports, and the need for further
study of the issue to determine efficacy and reliability.

(4) CORRECTIONAL INDUSTRIES
General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . $626,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . $626,000
    TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $1,252,000

The appropriations in this subsection are subject to the following
conditions and limitations:
(a) $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.
(b) For the 2003-05 biennium, the department shall implement
    Engrossed Second Substitute Senate Bill No. 6489 (correctional
    industries) within available appropriations and correctional industries
    revolving account funds.

(5) INTERAGENCY PAYMENTS
General Fund--State Appropriation (FY 2004) . . . . (($25,099,000))
    $26,259,000
General Fund--State Appropriation (FY 2005) . . . . (($25,134,000))
    $26,218,000
    TOTAL APPROPRIATION . . . . . . . . (($50,233,000))
    $52,477,000

Sec. 221. 2003 1st sp.s. c 25 s 226 (uncodified) is amended to
read as follows:
FOR THE EMPLOYMENT SECURITY DEPARTMENT
General Fund--Federal Appropriation . . . . . . . . . . . . . . . $267,586,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . $30,103,000
Unemployment Compensation Administration Account--
    Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . ($184,878,000)
    $192,415,000
Administrative Contingency Account--State
Appropriation ......................... (($14,721,000))
$10,721,000

Employment Service Administrative Account--State
Appropriation ......................... $23,184,000

TOTAL APPROPRIATION ................ (($520,472,000))
$524,009,000

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

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

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

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

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

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION
General Fund--State Appropriation (FY 2005) ....................... $75,000
Municipal Criminal Justice Assistance Account--
Local Appropriation ........................................ $460,000
Death Investigations Account--State
Appropriation .............................................. $148,000
Public Safety and Education Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $18,078,000

TOTAL APPROPRIATION . . . . . . . . . . ((18,686,000))

$18,761,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004) ................ (($33,464,000))
$35,746,000

General Fund--State Appropriation (FY 2005) ................ (($33,263,000))
$34,804,000

General Fund--Federal Appropriation ....................... $57,143,000

General Fund--Private/Local Appropriation ................ $3,696,000

Special Grass Seed Burning Research Account--
  State Appropriation ........................................ $14,000

Reclamation Revolving Account--State
  Appropriation .............................................. $2,760,000

Flood Control Assistance Account--
  State Appropriation ....................................... $2,019,000

State Emergency Water Projects Revolving Account--
  State Appropriation ....................................... $552,000

Waste Reduction/Recycling/Litter Control Account--
  State Appropriation ....................................... $13,714,000

State Drought Preparedness Account--State
  Appropriation .............................................. $1,708,000

State and Local Improvements Revolving Account
  (Water Supply Facilities)--State
  Appropriation .............................................. $593,000

Site Closure Account--State Appropriation ................ $629,000

Water Quality Account--State Appropriation ................ (($25,252,000))
$26,026,000

Wood Stove Education and Enforcement Account--
  State Appropriation ....................................... $356,000

Worker and Community Right-to-Know Account--
  State Appropriation ....................................... $3,348,000

State Toxics Control Account--State
  Appropriation .............................................. (($59,268,000))
$59,427,000
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<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
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<tr>
<td>State Toxics Control Account--Private/Local</td>
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<td>Local Toxics Control Account--State</td>
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<tr>
<td>Water Quality Permit Account--State</td>
<td>($25,205,000)</td>
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<td>Underground Storage Tank Account--State</td>
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<td>Environmental Excellence Account--State</td>
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<td>Biosolids Permit Account--State Appropriation</td>
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<td>Hazardous Waste Assistance Account--State</td>
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<td>$4,535,000</td>
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<td>Air Pollution Control Account--State</td>
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<td>Oil Spill Prevention Account--State</td>
<td>($7,745,000)</td>
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<td>Freshwater Aquatic Weeds Account--State</td>
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<td>Oil Spill Response Account--State</td>
<td>$7,078,000</td>
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<td>Metals Mining Account--State Appropriation</td>
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<td>Water Pollution Control Revolving Account--</td>
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<td>State Appropriation</td>
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<td>Water Pollution Control Revolving Account--</td>
<td>($1,867,000)</td>
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<td>Federal Appropriation</td>
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<td>TOTAL APPROPRIATION</td>
<td>($301,337,000)</td>
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<td>$307,546,000</td>
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The appropriations in this section are subject to the following conditions and limitations:
(1) $2,757,696 of the general fund--state appropriation for fiscal year 2004, $2,757,696 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 $704,942 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) $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.

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

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

(8) 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.

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

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

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

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

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

(14) $400,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for implementation of Second Substitute
House Bill No. 2564 (authorizing a pilot program for the settlement of water rights). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

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

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2004) ........ (($29,986,000)) $30,015,000
General Fund--State Appropriation (FY 2005) ........ (($29,976,000)) $30,034,000
General Fund--Federal Appropriation ................... $2,666,000
General Fund--Private/Local Appropriation ............ $63,000
Winter Recreation Program Account--State Appropriation ............... $1,079,000
Off Road Vehicle Account--State Appropriation .......... $285,000
Snowmobile Account--State Appropriation ............... $4,790,000
Aquatic Lands Enhancement Account--State Appropriation ............... $332,000
Public Safety and Education Account--State Appropriation ............... $47,000
Parks Renewal and Stewardship Account--State Appropriation ............... (($33,769,000)) $34,431,000
Parks Renewal and Stewardship Account--Private/Local Appropriation ............... $300,000
TOTAL APPROPRIATION ........ (($102,993,000)) $104,042,000

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.

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

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

FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

General Fund--State Appropriation (FY 2004) . . . . . . . . . . . . . . $1,246,000
General Fund--State Appropriation (FY 2005) . . . . . . . . . . . . . . ($(1,256,000))
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . $1,571,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . . . . . $125,000
Firearms Range Account--State Appropriation . . . . . . . . . . . . . . . . $22,000
Recreation Resources Account--State Appropriation . . . . . . . . . . . . . . . . $2,608,000
NOVA Program Account--State Appropriation . . . . . . . . . . . . . . . . $691,000
Water Quality Account--State Appropriation . . . . . . . . . . . . . . . . $200,000
Aquatic Lands Enhancement Account--State Appropriation . . . . . . . . . . $254,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($(24,260,000))

$24,700,000

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

(1) $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 passed through to the department of natural resources and the department of fish and wildlife.

(2) $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.

(3) $812,000 of the general fund--state appropriation for fiscal year 2004, $813,000 of the general fund--state appropriation for fiscal year 2005, and $1,625,000 of the general fund--federal appropriation are provided to the salmon recovery funding board for distribution to lead entities. The board may 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.

(4) $234,000 of the general fund--state appropriation for fiscal year 2004 and $234,000 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.

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

(6) $190,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement the provisions of Substitute Senate Bill No. 6242 (land acquisitions). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.
Sec. 304. 2003 1st sp.s. c 25 s 305 (uncodified) is amended to read as follows:

FOR THE ENVIRONMENTAL HEARINGS OFFICE

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<th>Description</th>
<th>FY 2004</th>
<th>FY 2005</th>
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<td>$934,000</td>
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<td>General Fund--State Appropriation (FY 2005)</td>
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<td>$998,000</td>
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<td>TOTAL APPROPRIATION</td>
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<td>$1,932,000</td>
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The appropriations in this section are subject to the following conditions and limitations: $30,000 of the general fund--state appropriation for fiscal year 2004 and $20,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to implement Engrossed Substitute Senate Bill No. 5776 (review of permit decisions), chapter 393, Laws of 2003.

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

FOR THE DEPARTMENT OF FISH AND WILDLIFE

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<th>Description</th>
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<td>General Fund--Private/Local Appropriation</td>
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<td>Aquatic Lands Enhancement Account--State</td>
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<td>Public Safety and Education Account--State</td>
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<td>Appropriation</td>
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<td>Recreational Fisheries Enhancement Account--</td>
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<td>Wildlife Account--Private/Local</td>
<td>$10,038,000</td>
<td>$8,872,000</td>
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<tr>
<td>((Game)) Special Wildlife Account--State</td>
<td>$2,068,000</td>
<td>$8,720,000</td>
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<tr>
<td>((Game)) Special Wildlife Account--Federal</td>
<td>$2,068,000</td>
<td>$8,720,000</td>
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<tr>
<td>((Game)) Special Wildlife Account--Private/Local</td>
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<tr>
<td>Environmental Excellence Account--State</td>
<td>$15,000</td>
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<tr>
<td>Regional Fisheries Salmonid Recovery Account--</td>
<td>$1,750,000</td>
<td>$8,720,000</td>
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<tr>
<td>Oil Spill Prevention Account--State</td>
<td>$981,000</td>
<td>$8,720,000</td>
</tr>
<tr>
<td>Oyster Reserve Land Account--State</td>
<td>$411,000</td>
<td>$8,720,000</td>
</tr>
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</table>

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) $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.

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

(4) $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.

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

(6) 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.

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

(8) $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.

(9) 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.

(10) $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.

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

(12) $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 to implement Engrossed Second Substitute House Bill No. 1338 (municipal water rights). If the bill is not enacted by June 30, 2003, the amounts provided in this subsection shall lapse.

(13) $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 economic adjustment assistance to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

(14) 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.

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

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

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

(18) $122,000 of the wildlife account--state appropriation is provided solely for reimbursement to the department of natural resources for its costs associated with fire suppression on fish and wildlife lands.
From within existing funding, the department shall provide a report to the appropriate committees of the legislature identifying options for reducing future allocations for the harvest of salmon in the event that a group's actual catch exceeds a current allocation. The report shall identify any statutory changes that would be required to implement such an accountability system.

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

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2004) . . . . . . (($30,307,000)) $54,329,000
General Fund--State Appropriation (FY 2005) . . . . . . (($34,233,000)) $35,104,000
General Fund--Federal Appropriation . . . . . . . . . . . (($3,809,000)) $5,116,000
General Fund--Private/Local Appropriation . . . . . . . $2,482,000
Forest Development Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . (($52,060,000)) $52,125,000
Off Road Vehicle Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . (($4,028,000)) $4,029,000
Surveys and Maps Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . (($2,760,000)) $2,761,000
Aquatic Lands Enhancement Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . (($6,884,000)) $6,885,000
Resources Management Cost Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . (($70,391,000)) $70,468,000
Surface Mining Reclamation Account--State
  Appropriation . . . . . . . . . . . . . . . . . . . . . . . $2,293,000
Disaster Response Account--State Appropriation . . . . . $7,200,000
Water Quality Account--State Appropriation . . . . . . . $2,479,000
Aquatic Land Dredged Material Disposal Site
  Account--State Appropriation . . . . . . . . . . . . . $1,311,000
Natural Resource Conservation Areas Stewardship

Account Appropriation ........................................ $83,000

Air Pollution Control Account--State

Appropriation ....................................................... $526,000

Agricultural College Trust Management Account

Appropriation ....................................................... $1,868,000

Derelict Vessel Removal Account--State

Appropriation ....................................................... $1,130,000

TOTAL APPROPRIATION ........................................ ($223,844,000)

$250,189,000

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

(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.)) $50,000 of the general fund--state appropriation for fiscal year 2005, $50,000 of the forest development account--state appropriation, and $50,000 of the resource management cost account--state appropriation are provided to implement Second Substitute Senate Bill No. 6144 (forest health). The department shall also expend $50,000 from the landowner contingency forest fire suppression account for this purpose. If the bill is not enacted by June 30, 2004, the amounts provided in this subsection shall lapse.

(10) The department of natural resources shall provide a report to the appropriate committees of the legislature, the office of financial management, 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), chapter 313, Laws of 2003. 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.

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

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

(13) $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.

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

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

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

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

FOR THE DEPARTMENT OF AGRICULTURE
General Fund--State Appropriation (FY 2004) . . . . . (($7,444,000))
          $8,286,000
General Fund--State Appropriation (FY 2005) . . . . . (($7,244,000))
          $8,686,000
General Fund--Federal Appropriation . . . . . . . . . . $10,068,000
General fund--Private/Local Appropriation . . . . . . $1,110,000
Aquatic Lands Enhancement Account--State
    Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,942,000
Water Quality Account--State Appropriation . . . . . . . $692,000
State Toxics Control Account--State
    Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . (($2,580,000))
          $2,780,000
Water Quality Permit Account--State Appropriation . . . . . $165,000
    TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . (($31,245,000))
          $33,729,000

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.

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

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

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

(End of part)
## Sec. 401

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

### FOR THE DEPARTMENT OF LICENSING

#### General Fund--State Appropriation (FY 2004)

<table>
<thead>
<tr>
<th>Account</th>
<th>FY 2004 Amount</th>
<th>FY 2005 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architect's License Account--State Appropriation</td>
<td>$696,000</td>
<td>$706,000</td>
</tr>
<tr>
<td>Cemetery Account--State Appropriation</td>
<td>$235,000</td>
<td>$249,000</td>
</tr>
<tr>
<td>Professional Engineers' Account--State Appropriation</td>
<td>$3,025,000</td>
<td>$2,938,000</td>
</tr>
<tr>
<td>Real Estate Commission Account--State Appropriation</td>
<td>$7,111,000</td>
<td>$7,048,000</td>
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<tr>
<td>Master License Account--State Appropriation</td>
<td>$9,110,000</td>
<td>$8,920,000</td>
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<tr>
<td>Uniform Commercial Code Account--State Appropriation</td>
<td>$2,987,000</td>
<td>$2,837,000</td>
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<td>Real Estate Education Account--State Appropriation</td>
<td>$277,000</td>
<td>$275,000</td>
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<td>Real Estate Appraisers Commission Account--State Appropriation</td>
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<tr>
<td>Geologist's Account--State Appropriation</td>
<td>$7,000</td>
<td>$21,000</td>
</tr>
<tr>
<td>Funeral Directors and Embalmers Account--State Appropriation</td>
<td>$521,000</td>
<td>$532,000</td>
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</tbody>
</table>
Washington Real Estate Research Account--State  
Appropriation .............................................. ($308,000)

Derelict Vessel Removal Account--State  
Appropriation .............................................. $31,000

Data Processing Revolving Account--State  
Appropriation .............................................. $29,000
TOTAL APPROPRIATION ................................ ($35,207,000)

$34,882,000

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.

Sec. 402. 2003 1st sp.s. c 25 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL
General Fund--State Appropriation (FY 2004) ............. $20,005,000
General Fund--State Appropriation (FY 2005) ............. $18,855,000
General Fund--Federal Appropriation ....................... $4,240,000
General Fund--Private/Local Appropriation ................. $378,000
Death Investigations Account--State  
Appropriation .............................................. $4,489,000
Public Safety and Education Account--State  
Appropriation .............................................. ($20,852,000)

$21,445,000
Enhanced 911 Account--State Appropriation ................. $612,000
County Criminal Justice Assistance Account--State  
Appropriation .............................................. $2,649,000
Municipal Criminal Justice Assistance Account--
<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$1,087,000</td>
</tr>
<tr>
<td>Fire Service Trust Account--State</td>
<td>$125,000</td>
</tr>
<tr>
<td>Fire Service Training Account--State</td>
<td>$7,374,000</td>
</tr>
<tr>
<td>State Toxics Control Account--State</td>
<td>$436,000</td>
</tr>
<tr>
<td>Violence Reduction and Drug Enforcement Account--State</td>
<td>$810,000</td>
</tr>
<tr>
<td>Fingerprint Identification Account--State</td>
<td>$5,117,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$87,622,000</td>
</tr>
</tbody>
</table>

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

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

2. $200,000 of the fire service training 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)
Sec. 501. 2003 1st sp.s. c 25 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004) . . . . . . . ($11,772,000)

$11,615,000

General Fund--State Appropriation (FY 2005) . . . . . . . ($11,761,000)

$11,742,000

General Fund--Federal Appropriation . . . . . . . . . . . ($15,921,000)

$26,968,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . ($39,454,000)

$50,325,000

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

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

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

(c) $416,000 of the general fund--state appropriation for fiscal year 2004 and $416,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the Washington professional educator standards board.

(d) ($157,000 of the general fund--state appropriation for fiscal year 2004 and $149,000) $130,000 of the general fund--state appropriation for fiscal year 2005 (are) is provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5012 or Second Substitute House Bill No. 2295 (charter schools). If neither bill is enacted by June 30, (2003) 2004, the amount 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) .............. $8,966,000
General Fund--State Appropriation (FY 2005) .............. ($9,345,000)
                      $10,885,000
General Fund--Federal Appropriation ..................... (($66,405,000))
                      $61,656,000
TOTAL APPROPRIATION ................................. (($84,716,000))
                      $81,507,000

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 $2,541,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of (($2,541,000)) $3,541,000 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.

(ii) A maximum of $96,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $96,000 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.

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

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

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

(((v)) (iv) $(13,663,000)$) $12,917,000 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.

(((vi)) (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

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.

(c) GRANTS AND ALLOCATIONS

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

(ii) A maximum of $761,000 of the general fund--state appropriation
for fiscal year 2004 and a maximum of $(757,000) $1,097,000 of the
general fund--state appropriation for fiscal year 2005 are provided for
alternative certification routes. Funds may be used by the
professional educator standards board to continue existing alternative-
route grant programs and to create new alternative-route programs in
regions of the state with service shortages.
(iii) A maximum of $31,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $31,000 of the general fund--state appropriation for fiscal year 2005 are provided for operation of the Cispus environmental learning center.

(iv) A maximum of $1,224,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $1,224,000 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.

(v) A maximum of $1,079,000 of the general fund--state appropriation for fiscal year 2004 and a maximum of $1,079,000 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.

(vi) 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.

(vii) 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 the Washington civil liberties education program.

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

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

(x) $75,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for deposit in the natural science, wildlife, and environmental partnership account--state for the grant program established in chapter 22, Laws of 2003 (ESHB 1466).
(xi) $100,000 of the general fund--state appropriation for fiscal year 2005 is provided solely as one-time funding for the Washington virtual classroom consortium administered by the Quillayute valley school district.

(xii) $1,650,000 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.

((x) $9,510,000) (xiii) $9,953,000 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.

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

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2004) . . . . (($3,969,407,000)) $3,976,507,000

General Fund--State Appropriation (FY 2005) . . . . (($3,977,209,000)) $3,988,456,000

TOTAL APPROPRIATION . . . . . . . . . . . . (($7,946,616,000)) $7,964,963,000

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;

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

(A) Funds provided under this subsection (2)(a)(iv) and (v) 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 54.0 certificated instructional staff per thousand full-time equivalent students in the 2003-04 school year and 53.2 certificated instructional staff per thousand full-time equivalent students in the 2004-05 school year. 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 54.0 funding ratio in the 2003-04 school year, and up to 1.3 of the 53.2 funding ratio in the 2004-05 school year, 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 54.0 certificated instructional staff per thousand full-time equivalent students in the 2003-04 school year and 53.2 certificated instructional staff per thousand full-time equivalent students in the 2004-05 school year may use allocations generated under this subsection (2)(a)(iv) and (v) 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) and (v) 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) 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 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 12.25 percent in the 2003-04 school year and 12.25 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(2) 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 $8,855 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 $21,746 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 $16,873 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 teachers exclusive of salary increase amounts 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 $6,385,000 outside the basic education formula during fiscal years 2004 and 2005 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 $499,000 may be expended in fiscal year 2005;

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

(c) A maximum of $351,000 may be expended for school district emergencies; and

(d) A maximum of $485,000 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(3), 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. For purposes of RCW 84.52.0531(4), the additional per pupil adjustment inflator, for excess levies for collection in calendar year 2005, for school districts for which voters have approved levies for collection in calendar year 2005 prior to November 1, 2003, is 4.4 percent.

(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.
(12) ($159,000) $401,000 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) 2005 is provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5012 or Second Substitute House Bill No. 2295 (charter schools). If neither bill is enacted by June 30, 2004, the amount provided in this subsection shall lapse.

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund--State Appropriation (FY 2004) ......... ($28,511,000)

$28,604,000

General Fund--State Appropriation (FY 2005) ......... ($116,670,000)

$122,735,000

General Fund--Federal Appropriation ................. ($559,000)

$589,000

TOTAL APPROPRIATION ............... ($145,740,000)

$151,928,000

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

(1) ($8,913,000) $8,944,000 of the general fund--state appropriation for fiscal year 2004 and ($20,238,000) $20,342,000 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 9.04 percent for school year 2003-04 and 9.04 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) $5,453,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to provide a salary adjustment for state formula classified staff units 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 8.75 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>$0.00</td>
<td>$0.22</td>
</tr>
<tr>
<td>Highly Capable (per formula student)</td>
<td>$0.93</td>
<td>$1.89</td>
</tr>
<tr>
<td>Transitional Bilingual Education (per eligible bilingual student)</td>
<td>$2.45</td>
<td>$4.97</td>
</tr>
<tr>
<td>Learning Assistance (per entitlement unit)</td>
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<td>$(1.40)</td>
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<tr>
<td></td>
<td></td>
<td>$2.94</td>
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</tbody>
</table>

((3) $116,483,000) (4) $117,060,000 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 $481.31 per month for the 2003-04 school year and $570.74 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>
<td>$0.22</td>
<td>$1.03</td>
</tr>
<tr>
<td>Highly Capable (per formula student)</td>
<td>$1.52</td>
<td>$7.00</td>
</tr>
</tbody>
</table>
Transitional Bilingual Education (per eligible bilingual student) $3.92  $18.40
Learning Assistance (per entitlement unit) $3.08  $14.46

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

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

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

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)) $774,000 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 $39.21 per weighted mile in the 2003-04 school year and (($39.43)) $39.30 per weighted mile in the 2004-05 school year exclusive of salary and benefit adjustments 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

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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 with busses purchased on or after July 1, 2003, 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. Within the amounts appropriated in this section, the office of superintendent of public instruction, in conjunction with the state auditor's office, shall review current bidding procedures and processes of school bus purchases in the state for compliance with RCW 28A.335.190 and 28A.160.195. The office of superintendent of public instruction and the state auditor's office shall submit a report to fiscal committees of the legislature and the governor with findings and recommendations by November 1, 2004.

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

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)

$252,128,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . ($278,269,000)

$258,328,000
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.

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . . (($433,984,000))
$435,061,000

General Fund--State Appropriation (FY 2005) . . . . . . . (($427,214,000))
$427,741,000

General Fund--Federal Appropriation . . . . . . . . . . . (($409,637,000))
$425,488,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . (($1,270,835,000))
$1,288,290,000

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. 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.

(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 the general fund--state funds allocated under this program; however, carry over funds shall be expended in the special education program.

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2004) . . . . . ($162,236,000) $163,049,000

General Fund--State Appropriation (FY 2005) . . . . . ($167,073,000) $161,945,000

TOTAL APPROPRIATION . . . . . . . . . ($329,309,000) $324,994,000

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . ($18,596,000) $18,207,000

General Fund--State Appropriation (FY 2005) . . . . . ($19,092,000) $18,175,000

Code Rev/LL:seg 128 S-4913.3/04 3rd draft
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
CAPABLE STUDENTS

General Fund--State Appropriation (FY 2004) . . . . . (($6,597,000))
$6,620,000

General Fund--State Appropriation (FY 2005) . . . . . (($6,614,000))
$6,631,000

TOTAL APPROPRIATION . . . . . . . . . . . (($13,211,000))
$13,251,000

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 $334.89 per funded student for the 2003-04 school year and $334.89 per funded student for the 2004-05 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

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

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

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

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))
$42,817,000

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM
PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . . (($39,107,000))

$38,384,000

General Fund--State Appropriation (FY 2005) . . . . . . (($36,501,000))

$37,046,000

General Fund--Federal Appropriation . . . . . . . . . (($128,402,000))

$164,087,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . (($204,010,000))

$239,517,000

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

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

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

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

(b) $300,000 in fiscal year (2004) 2005 is for independent research on the alignment and technical review of the reading, writing, and science content areas of the Washington assessment of student learning, as provided by Third Engrossed Substitute House Bill No. 2195 (state academic standards). If Third Engrossed Substitute House Bill No. 2195 is not enacted by June 30, (2003) 2004, the amount in this subsection (b) shall lapse.
(3) $548,000 of the fiscal year 2004 general fund--state appropriation and $548,000 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 solely 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) $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 solely 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.

(7) $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

(8) $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.

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

(10) $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 researched-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 September 2003 through August 31, 2005.
(11) $(1,564,000)$ $1,313,000$ of the general fund--state appropriation for fiscal year 2004 and $(2,497,000)$ $2,473,000$ 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 hold a valid certificate from the national board during the 2003-04 or 2004-05 school years shall receive an annual bonus not to exceed $3,500 in each of these school years in which they hold a national board certificate.

(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).

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

(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) $3,046,000 of the general fund--state appropriation for fiscal year 2004 and $3,046,000 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. 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. 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) $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.

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

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

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

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

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

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

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

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

(d) 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 program.

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

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

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

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL
BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . (($49,791,000))
  $50,678,000

General Fund--State Appropriation (FY 2005) . . . . . (($52,062,000))
  $54,046,000

General Fund--Federal Appropriation (FY 2005) . . . . . (($46,309,000))
  $44,544,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . (($148,162,000))
  $149,268,000

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 $725.11 per eligible bilingual student in the 2003-04 school year and $725.11 in the 2004-05 school year, exclusive of salary and benefit adjustments 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 are 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.

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2004) . . . . . (($65,385,000))
  $64,366,000

General Fund--State Appropriation (FY 2005) . . . . . (($64,051,000))
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . (($307,178,000))

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . (($436,614,000))

(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 $432.15 per funded unit for the 2003-04 school year and (($433.03)) $432.52 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 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;

(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;
(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; and

(v) 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.

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

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM

Student Achievement Fund--State

Appropriation (FY 2004) . . . . . . . . . . . . . . . . ((203,123,000))

$206,825,000

Student Achievement Fund--State

Appropriation (FY 2005) . . . . . . . . . . . . . . . . (195,080,000)

$195,535,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . (398,203,000)

$402,360,000
The appropriations in this section are subject to the following conditions and limitations:

(1) Funding for school district student achievement programs shall be allocated at a maximum rate of $211.72 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.

(2) 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 extended 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).

(3) For the 2003-04 school year, the office of the superintendent of public instruction shall distribute ten percent of the school year
allocation to districts each month for the months of September through June. For the 2004-05 school year, the superintendent of public instruction shall distribute the school year allocation according to the monthly apportionment schedule defined in RCW 28A.510.250.

Sec. 515. 2003 1st sp.s. c 25 s 517 (uncodified) is amended to read as follows:

K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS. State general fund and state student achievement 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.

(End of part)
PART VI
HIGHER EDUCATION

Sec. 601. 2003 1st sp.s. c 25 s 602 (uncodified) is amended to read as follows:

(1) The appropriations in sections 603 through 610 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Washington</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>((32,427))</td>
<td>((32,427))</td>
<td>32,458</td>
</tr>
<tr>
<td>Bothell branch</td>
<td>1,235</td>
<td>1,235</td>
</tr>
<tr>
<td>Tacoma branch</td>
<td>((1,484))</td>
<td>((1,484))</td>
</tr>
<tr>
<td></td>
<td>1,494</td>
<td></td>
</tr>
<tr>
<td>Washington State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>((17,348))</td>
<td>((17,364))</td>
<td>17,495</td>
</tr>
<tr>
<td>Spokane branch</td>
<td>((593))</td>
<td>((593))</td>
</tr>
<tr>
<td>Tri-Cities branch</td>
<td>((616))</td>
<td>((616))</td>
</tr>
<tr>
<td>Vancouver branch</td>
<td>((1,153))</td>
<td>((1,153))</td>
</tr>
<tr>
<td></td>
<td>1,162</td>
<td></td>
</tr>
<tr>
<td>Central Washington University</td>
<td>((7,666))</td>
<td>((7,666))</td>
</tr>
<tr>
<td></td>
<td>7,809</td>
<td></td>
</tr>
<tr>
<td>Institution</td>
<td>Full-time Equivalent Student Enrollments</td>
<td>Funding Provided</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Eastern Washington University</td>
<td>8,150</td>
<td>8,150</td>
</tr>
<tr>
<td>The Evergreen State College</td>
<td>3,871</td>
<td>3,871</td>
</tr>
<tr>
<td>Western Washington University</td>
<td>11,242</td>
<td>11,242</td>
</tr>
<tr>
<td>State Board for Community and Technical Colleges</td>
<td>127,189</td>
<td>127,189</td>
</tr>
<tr>
<td>Higher Education Coordinating Board</td>
<td>506</td>
<td>506</td>
</tr>
</tbody>
</table>

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

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

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

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2004) ........ (($507,960,000)) $509,539,000
General Fund--State Appropriation (FY 2005) ........ (($517,854,000)) $516,164,000

Administrative Contingency Account--State
Appropriation ....................... (($3,200,000)) $7,200,000
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) $1,250,000 of the general fund--state appropriation for fiscal year 2004 and $1,250,000 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, 2004, to the office of financial management and legislative fiscal and higher education committees on (a) the distribution of state funds; and (b) wage adjustments for part-time faculty.

(3) $1,250,000 of the general fund--state appropriation for fiscal year 2004 and $1,250,000 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 $24,761,000 of the general fund--state appropriation for fiscal year 2005, and $4,000,000 of the administrative contingency account--state appropriation 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 7,219 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) $2,950,000 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 by 
January 1 of each fiscal year 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) $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.

(12) $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.

(13) $6,304,000 of the general fund--state appropriation for fiscal 
year 2004 and $6,305,000 of the general fund--state appropriation for 
fiscal year 2005 are provided solely to expand enrollment in high-
demand fields.

(a) High-demand fields means (i) health services, (ii) applied 
science and engineering, (iii) viticulture and enology, and (iv) 
expansion of worker retraining programs. The state board shall 
allocate resources among the four areas specified in this subsection
and shall manage a competitive process for awarding resources for health services, viticulture, enology, and applied science and engineering programs.

(b) The state board shall provide information on the number of additional headcount and full-time equivalent students enrolled in high-demand fields by November 1 of each fiscal year to the office of financial management and the fiscal and higher education committees of the legislature.

(14) $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 to address their respective need for additional instructors and professional staff.

Sec. 603. 2003 1st sp.s. c 25 s 604 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON
General Fund--State Appropriation (FY 2004) ............ $311,628,000
General Fund--State Appropriation (FY 2005) ............ ($319,584,000)
General Fund--Private/Local Appropriation .............. $300,000
Death Investigations Account--State
Appropriation ........................................ $261,000
Accident Account--State Appropriation ................. $5,937,000
Medical Aid Account--State Appropriation ............... $5,960,000
TOTAL APPROPRIATION ................................... ($643,670,000)

$646,145,000

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 to create a state resource 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 meeting regional technology needs 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 back 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) The entire death investigations account appropriation is provided 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 resources 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.

(7) $1,250,000 of the general fund--state appropriation for fiscal year 2004 and $1,250,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for state match to attract or retain federal research grants in high demand and technologically advanced fields.

(8) $300,000 of the general fund--private/local appropriation is provided solely for shellfish biotoxin monitoring as specified in Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

(9) $500,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the establishment of an endowment to support a professor of Korean studies in the Jackson school of international studies. This amount is contingent on receipt of $1,500,000 of nonstate matching funds. If the nonstate funds are not received by June 30, 2005, the amount provided in this subsection shall lapse.

(10) $675,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to establish an autism center at the University of Washington Tacoma campus.

(11) $1,300,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for personnel and equipment for the University of Washington proteomics center. This amount shall not be used for the rental or acquisition of real property. This amount is contingent on receipt of $7,000,000 in one-time nonstate matching funds. If the nonstate matching funds are not received by June 30, 2005, the amount provided in this subsection shall lapse.
Sec. 604. 2003 1st sp.s. c 25 s 607 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

Sec. 604. 2003 1st sp.s. c 25 s 607 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2004) . . . . . . . $39,765,000

General Fund--State Appropriation (FY 2005) . . . . . ($41,391,000)

    TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . ($81,156,000)

    $81,379,000

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 196 full-time equivalent students.

(2) $206,000 of the general fund--state appropriation for fiscal year 2004 and $418,000 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.

Sec. 605. 2003 1st sp.s. c 25 s 608 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

Sec. 605. 2003 1st sp.s. c 25 s 608 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2004) . . . . . (($22,881,000))

    $22,856,000

General Fund--State Appropriation (FY 2005) . . . . . (($23,618,000))

    $23,773,000

    TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . (($46,499,000))

    $46,629,000

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 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.

(2) The Washington state institute for public policy shall research the following issues and provide reports to the legislature as directed. The institute board shall prioritize and schedule all studies based on staff capacity.

(a) $110,000 of the general fund—state appropriation for fiscal year 2004 is provided solely for the Washington state institute for public policy to review research assessing the effectiveness of prevention and early intervention programs concerning children and youth, including but not limited to, programs designed to reduce the at-risk behaviors for children and youth identified in RCW 70.190.010(4).

Using this research, the institute shall identify specific research-proven programs that produce a positive return on the dollar compared to the costs of the program. The institute shall also develop criteria designed to ensure quality implementation and program fidelity of research-proven programs in the state. The criteria shall include measures for ongoing monitoring and continual improvement of treatment delivery, and shall be feasible for inclusion in a contract for services. The institute shall develop recommendations for potential state legislation that encourages local government investment in research-proven prevention and early intervention programs by reimbursing local governments for a portion of the savings that accrue to the state as the result of local investments in such programs. The institute shall present a preliminary report of its findings to the appropriate committees of the legislature by December 1, 2003, and shall present a final report by ((March)) July 1, 2004.
(b) $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 Chapter 378, Laws of 2003 (ESSB 5903). The standards shall be developed and presented to the governor and legislature by no later than January 1, 2004.

(c) $100,000 of the general fund--state appropriation for fiscal year 2004 is provided solely for the Washington state institute for public policy to study the relationship between prison overcrowding and construction, and the current state criminal sentencing structure.

(i) The institute shall determine whether any changes could be made to the current state sentencing structure to address prison overcrowding and the need for new prison construction, giving great weight to the primary purposes of the criminal justice system. These purposes include: Protecting community safety; making frugal use of state and local government resources by concentrating resources on violent offenders and sex offenders who pose the greatest risk to our communities; achieving proportionality in sentencing; and reducing the risk of reoffending by offenders in the community.

(ii) In developing its research plan, the institute may consult with the sentencing guidelines commission, the caseload forecast council, and interested stakeholders.

(iii) The institute for public policy shall present a preliminary report of its findings to the governor and to the appropriate standing committees of the legislature by December 15, 2003, and shall present a final report regarding its findings and recommendations by March 15, 2004.

(d) $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 Chapter 379, Laws of 2003 (ESSB 5990). 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.
(e) ($25,000 of the general fund--state appropriation for fiscal year 2004 and $25,000) $65,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the institute for public policy to conduct the evaluation outlined in Second Engrossed Substitute Senate Bill No. 5012 or Second Substitute House Bill No. 2295 (charter schools). If neither bill is enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(f) $90,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the institute of public policy to conduct the evaluation outlined in Second Substitute Senate Bill No. 5914 (higher education opportunities in Vancouver). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(g) $25,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for the institute for public policy to examine issues related to the state's transitional bilingual education program. The examination shall include, but is not limited to, a review of the following issues: Trends in enrollment and average length of stay in the transitional bilingual program; the different types of programs and delivery methods that exist in Washington state and other states; the academic and language acquisition effectiveness of different types of programs and service delivery methods; the cost benefits of these different types of programs and service delivery methods; and potential changes that would result in more effective program delivery and cost-effectiveness. The office of superintendent of public instruction shall provide technical assistance and needed data to assist in the institute's examination. The institute shall provide a report of its findings to the governor and appropriate committees of the legislature by December 1, 2004.

Sec. 606. 2003 1st sp.s. c 25 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION
General Fund--State Appropriation (FY 2004) . . . . . . . ($4,952,000) $4,973,000
General Fund--State Appropriation (FY 2005) . . . . . . . ($7,716,000)
The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

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

(2) $175,000 of the general fund--state appropriation for fiscal year 2004 and $175,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to continue a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.

(3) $2,740,000 of the general fund--state appropriation for fiscal year 2004 and $8,035,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to contract for 247 full-time equivalent students in high demand fields in fiscal year 2004 and an additional 481 full-time equivalent students in high demand fields in fiscal year 2005. High-demand fields are programs where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings. Of the amounts provided, up to $70,000 may be used for management of the competitive process for awarding high-demand student FTEs during the 2003-05 biennium.

(a) The board will manage a competitive process for awarding high-demand student FTEs. Public baccalaureate institutions and private independent institutions are eligible to apply for funding and may submit proposals (that include cooperative partnerships with private independent institutions).

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

(c) The board will establish a proposal review committee that will
include, but not be limited to, representatives from the board, the
office of financial management, 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) Baccalaureate institutions 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. The board will report on the
implementation of this subsection by November 1 of each fiscal year to
the office of financial management and the fiscal and higher education
committees of the legislature.

(4) $30,000 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 to evaluate the policy
alternatives described in this subsection.

(a) By December 15, 2004, the board shall provide a report of the
evaluation to the governor and the fiscal and higher education
committees of the legislature. This evaluation, where appropriate,
shall incorporate the analysis and recommendations that are contained
in (i) the final strategic master plan for higher education adopted by
the board in June 2004 and (ii) the public agenda for higher education
as presented and refined by the national collaborative for
postsecondary education.

(b) For each policy alternative, the board shall identify:

(i) The implementation costs in the 2005-07, 2007-09, and 2009-11
biennia from both the state general fund and tuition revenue;

(ii) The distribution of enrollments by specific institution,
location, and type of program;

(iii) The allocation to high demand and general enrollments;

(iv) The methods of delivery;
(v) The capital facility needs to ensure the physical and quality
capacity of the institutions; and

(vi) The funding needs for financial aid and the implications for
students depending on whether these needs are met.

(c) The policy alternatives to be evaluated shall include, but are
not limited to:

(i) Current participation and distribution of enrollments by
institution and sector are maintained; general fund subsidy and total
funding increase at the rate of the consumer price index; no capital
funding is provided to increase capacity; and the state need grant
policies are maintained;

(ii) Graduation rates and participation rates are in the top
quarter of all states, overall and within each sector, such as
community colleges, comprehensive universities, and research
universities; enrollments are distributed to sectors and locations
based upon population demand, and include evaluation of demand in Puget
Sound and southwest Washington; the state general fund subsidy
increases to pay for new enrollments at peer averages; total funding
increases to peer averages, capital funding increases to meet growth,
and current state need grant practices are maintained;

(iii) Graduation rates and participation rates are in the top
quarter of all states, overall and within each sector; enrollments are
distributed to sectors and locations based upon population demand, and
include evaluation of demand in Puget Sound and southwest Washington;
state general fund increases pay for estimated increases in financial
need; total funding increases to peer averages, capital funding
increases to meet growth, and current state need grant practices are
maintained, plus state funding to meet increased need;

(iv) The tuition levels necessary to achieve total funding per
student to average level in other states;

(v) Financial aid increases so that half of all students are able
to graduate debt free based on information provided to the institutions
of higher education, and, for those who have loan repayment
obligations, the obligations do not exceed 10 percent of graduates'
average annual post-graduation income; and

(vi) Engaging private independent colleges by replacing the state
general fund subsidy for public institutions with vouchers, which
students may use at any accredited higher education institution.
(d) In evaluating these policy alternatives, the board shall construct a simulation model of the impacts and costs. The purpose of the model is to assist the legislature and governor in evaluating various investment alternatives. The board shall consult with the office of financial management, staff of the legislative fiscal and higher education committees, and public and private higher education institutions to refine the policy alternatives and delineate the content of the model. The public institutions, the office of financial management, and the legislative evaluation and accountability program committee shall cooperate with the board in providing information to construct the model. The model shall be operational by December 15, 2004.

Sec. 607. 2003 1st sp.s. c 25 s 611 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2004) . . . . . (($145,217,000))
  $145,228,000

General Fund--State Appropriation (FY 2005) . . . . . (($154,412,000))
  $161,487,000

General Fund--Federal Appropriation . . . . . . . . . . (($7,530,000))
  $7,537,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . (($307,159,000))
  $314,252,000

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)) $3,100,000 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) $111,628,000 of the general fund--state appropriation for fiscal year 2004 and ($120,420,000) $125,283,000 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 pursuant to Chapter 233, Laws of 2003 (ESB 5676). 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.

(8) $1,919,000 of the general fund--state appropriation for fiscal year 2004 and $2,155,000 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) $794,000 of the general fund--state appropriation for fiscal year 2004 and $845,000 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) ($2,667,000) $2,678,000 of the general fund--state appropriation for fiscal year 2004 and ($2,768,000) $2,820,000 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.

(14) $160,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for Washington Center scholarships. The funds shall be used to support college students who participate in Washington Center internships in Washington, D.C.

(End of part)
PART VII

SPECIAL APPROPRIATIONS

Sec. 701. 2003 1st sp.s. c 25 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2004) ........ (($570,186,000))  

$605,886,000

General Fund--State Appropriation (FY 2005) ........ (($626,814,000))  

$578,776,000

Debt-Limit General Fund Bond Retirement Account--

State Appropriation ................. (($10,000,000))  

$17,300,000

State Building Construction Account--State Appropriation ................. (($7,014,000))  

$8,922,000

Debt-Limit Reimbursable Bond Retirement Account--

State Appropriation .................. $2,587,000

State Taxable Building Construction Account--

State Appropriation .................. (($322,000))  

$465,000

Gardner-Evans Higher Education Construction Account--

State Appropriation .................. $2,087,000

TOTAL APPROPRIATION ................. (($1,216,923,000))  

$1,216,013,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2003 1st sp.s. c 25 s 703 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2004) ................ $26,394,000
General Fund--State Appropriation (FY 2005) ................ $24,805,000
Capitol Historic District Construction Account--State Appropriation .................................................. (($299,000)) ........................................ $323,000
Higher Education Construction Account--State Appropriation .................................................. $238,000
State Vehicle Parking Account--State Appropriation .................................................. $102,000
Nondebt-Limit Reimbursable Bond Retirement Account--State Appropriation .................................................. $128,375,000
TOTAL APPROPRIATION .................................................. (($180,213,000)) ........................................ $180,237,000

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.

Sec. 703. 2003 1st sp.s. c 25 s 704 (uncodified) is amended to read as follows:

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
State Building Construction Account--State Appropriation .................................................. (($2,032,000)) ........................................ $2,083,000
State Vehicle Parking Account--State Appropriation .................................................. $17,000
Capitol Historic District Construction Account--State Appropriation .................................................. $45,000
State Taxable Building Construction Account--State Appropriation .................................................. (($50,000)) ........................................ $60,000
Gardner-Evans Higher Education Construction Account--State Appropriation .................................................. $180,000
Sec. 704. 2003 1st sp.s. c 25 s 709 (uncodified) is amended to read as follows:

FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS

General Fund--State Appropriation (FY 2004)........ $8,243,000
General Fund--State Appropriation (FY 2005)........ ($38,879,000)

Dedicated Funds and Accounts Appropriation........ ($41,232,000)

TOTAL APPROPRIATION................................ ($88,354,000)

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

(1) The appropriation from dedicated funds and accounts shall be made in the amounts specified and from the dedicated funds and accounts specified in (a) LEAP document 2003-38, a computerized tabulation developed by the legislative evaluation and accountability program committee on June 2, 2003, and (b) LEAP document 2004-38 dated February 20, 2004, which are hereby incorporated by reference. The office of financial management shall allocate the moneys appropriated in this section in the amounts specified and to the state agencies specified in LEAP document 2003-38 and LEAP document 2004-38, and adjust appropriation schedules accordingly.

(2) (a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $504.89 per eligible employee for fiscal year 2004, and ($592.30) $578.84 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.

(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 $102.35. Starting January 1, 2005, the subsidy shall be $116.19 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, $42.76 per month beginning September 1, 2003, and $49.14 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, $42.76 each month beginning September 1, 2003, and $49.14 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 appropriations in this section include amounts sufficient to fund health benefits for ferry workers at the premium levels specified in subsection (2) of this section, consistent with the 2003-2005 transportation appropriations act.
Sec. 705. 2003 1st sp.s. c 25 s 712 (uncodified) is amended to read as follows:

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)) $9,314,000

TOTAL APPROPRIATION .................. (($20,936,000)) $19,782,000

The appropriations in this section are 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.

Sec. 706. 2003 1st sp.s. c 25 s 715 (uncodified) is amended to read as follows:

INCREASED FEDERAL ASSISTANCE. (1) If the department of social and health services or the department of veterans affairs receives federal funding to enhance the federal medical assistance percentage for the 2001-2003 (or 2003-2005 fiscal biennia) biennium as a result of the jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27), the moneys shall be expended as an unanticipated receipt under RCW 43.79.270 and 43.79.280, subject to the following conditions and limitations:

(a) The moneys shall be expended in the manner required by the federal act;
(b) The federal moneys shall be expended in a manner that will maximize the conservation of state moneys, which shall be placed in reserve status and remain unexpended; and
(c) The director of financial management shall notify the appropriate legislative fiscal committees of proposed allotment modifications prior to expenditure of the federal moneys.

(2) If the state receives federal funding for the 2001-2003 or 2003-2005 fiscal biennia as a result of the jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27) in addition to the funding
described in subsection (1) of this section, the moneys may be expended as an unanticipated receipt under RCW 43.79.270 and 43.79.280, subject to the following conditions and limitations:

(a) The moneys shall be expended in the manner required by the federal act;
(b) The federal moneys shall be expended for necessary state services and in a manner that will maximize the conservation of state moneys, which shall be placed in reserve status and remain unexpended; and
(c) The director of financial management shall notify the appropriate legislative fiscal committees of proposed allotment modifications prior to expenditure of the federal moneys.

Sec. 707. 2003 1st sp.s. c 25 s 718 (uncodified) is amended to read as follows:

AGENCY EXPENDITURES FOR TORT LIABILITY.

General Fund--State Appropriation (FY 2005) . . . . . . . ($10,638,000)
Dedicated Funds and Accounts Appropriation . . . . . . . ($4,572,000)
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . ($15,210,000)

The appropriations in this section are subject to the following conditions and limitations: The office of financial management shall ((reduce allotments for all agencies by $10,638,000 from 2003-05 biennial general fund appropriations in this act)) update agency appropriation schedules to reflect the reduction in contributions to the liability account((. The general fund allotment reduction shall be placed in unallotted status and remain unexpended)) as identified by agency and account in OFM document 2004-02 dated December 18, 2003, which is hereby incorporated by reference.

NEW SECTION. Sec. 708. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

AGENCY EXPENDITURES FOR TORT LIABILITY. The office of financial management shall reduce allotments for all agencies by $10,000,000 from fiscal year 2005 general fund--state appropriations in this act to reflect the reduction in state tort liability under Engrossed Substitute Senate Bill No. 5728 (civil liability reform). The general fund allotment reduction shall be placed in unallotted status and remain unexpended.
Sec. 709. 2003 1st sp.s. c 25 s 723 (uncodified) is amended to read as follows:

FOR 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 ((general administration)) the office 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
   (b) Clinton Johnston, claim number SCJ 04-02 . . . . . . . . . . $8,225
   (c) Johnny Riley, claim number SCJ 04-05 . . . . . . . . . . $1,500
   (d) Gregory Nichols, claim number SCJ 04-06 . . . . . . . . . . $3,995
   (e) William Poll, claim number SCJ 04-07 . . . . . . . . . . $31,106
   (f) John Obert, claim number SCJ 04-09 . . . . . . . . . . $15,957

(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 . . . . . . . . . . . . . . $49,380
   (b) Marilyn Lund Farms, claim number SCG 03-08 . . . . . . . . . . $17,175
   (c) Paul Gibbons, claim number SCG 03-09 . . . . . . . . . . $12,414
   (d) Bud Hamilton, claim number SCG 03-10 . . . . . . . . . . $15,591
   (e) Richard Anderson, claim number SCG 03-11 . . . . . . . . . . $75,933
   (f) Neil Ice, claim number SCG 03-12 . . . . . . . . . . $73,474
   (g) Carl Anderson, claim number SCG 03-13 . . . . . . . . . . $120,943
   (h) Lafe Wilson, claim number SCG 04-02 . . . . . . . . . . $626
   (i) Richard Anderson, claim number SCG 04-04 . . . . . . . . . . $28,998

NEW SECTION. Sec. 710. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--HELP AMERICA VOTE ACT
General Fund--State Appropriation (FY 2004) . . . . . . . . . . $3,140,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for deposit in the election account.
NEW SECTION. Sec. 711. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT SYSTEMS

General Fund--State Appropriation (FY 2005) $1,600,000

Salary and Insurance Increase Revolving Account
  Appropriation $400,000
  TOTAL APPROPRIATION $2,000,000

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

(1) $1,100,000 of the general fund--state appropriation for fiscal year 2005 and $200,000 of the salary and insurance increase revolving account appropriation in this section are provided solely to make adjustments necessary to agency appropriations to reflect costs resulting from changing the vesting period in public employees' retirement system plan 3, the teachers' retirement system plan 3, and the school employees' retirement system plan 3 to five years as provided in Senate Bill No. 6247 (retirement vesting). If the bill is not enacted by June 30, 2004, the amounts provided in this subsection shall lapse.

(2) $500,000 of the general fund--state appropriation for fiscal year 2005 and $200,000 of the salary and insurance increase revolving account appropriation in this section are provided solely to make adjustments necessary to agency appropriations to reflect costs resulting from establishing a $1,000 minimum monthly benefit in the public employees' retirement system plan 1 and the teachers' retirement system plan 1 as provided in Senate Bill No. 6253 (minimum monthly benefit). If the bill is not enacted by June 30, 2004, the amounts provided in this subsection shall lapse.

(3) 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 salary and insurance increase revolving account in accordance with schedules provided by the office of financial management.

NEW SECTION. Sec. 712. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:
FOR THE OFFICE OF FINANCIAL MANAGEMENT--MADER LAWSUIT SETTLEMENT

General Fund--State Appropriation (FY 2005) . . . . . . . . $11,000,000

The appropriation in this section is provided solely for the purposes of settling all claims in Mader et al. v. Health Care Authority and State of Washington (cause number 98-2-30850-8SEA). The expenditure of this appropriation is contingent on the release of all claims in the case, and total settlement costs shall not exceed the appropriation in this section.

If settlement is not executed by June 30, 2004, the appropriation in this section shall lapse.

NEW SECTION. Sec. 713. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--MILITARY LEAVE

General Fund--State Appropriation (FY 2005) . . . . . . . . $1,000,000

The appropriation in this section is provided solely for the purpose of distribution to agencies to defray the cost of Second Substitute Senate Bill No. 6578 (military leave). If the bill is not enacted by June 30, 2004, the appropriation in this section shall lapse.

NEW SECTION. Sec. 714. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

The office of financial management shall reduce allotments for all agencies for personal service contracts, equipment, and travel by $11,400,000 from fiscal year 2005 general fund--state appropriations in this act to reflect the elimination of expenditures identified in LEAP document 2004-32, a computerized tabulation developed by the legislative evaluation and accountability program committee on January 23, 2004. The general fund allotment reduction shall be placed in unallotted status and remain unexpended.

Sec. 715. 2003 1st sp.s. c 25 s 710 (uncodified) is amended to read as follows:

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 beginning July 1, 2003, 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) . . . . . (($21,256,000))
$20,256,000
General Fund--State Appropriation (FY 2005) . . . . . (($20,914,000))
$21,414,000

(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 . . . . . . . . . . . . . . (($55,170,000))
$54,670,000

(End of part)
PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2003 1st sp.s. c 25 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Appropriation for fire insurance premium distributions</td>
<td>($4,711,500)</td>
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<tr>
<td></td>
<td>$5,344,000</td>
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<tr>
<td>General Fund Appropriation for public utility district excise tax distributions</td>
<td>($39,273,684)</td>
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<td>$39,860,559</td>
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<tr>
<td>General Fund Appropriation for prosecuting attorney distributions</td>
<td>($3,441,197)</td>
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<td>$3,671,015</td>
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<td>General Fund Appropriation for boating safety and education distributions</td>
<td>($4,074,300)</td>
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<td>$4,147,426</td>
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<tr>
<td>General Fund Appropriation for other tax distributions</td>
<td>$34,750</td>
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<tr>
<td>Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies</td>
<td>$2,123,723</td>
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<tr>
<td>Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue</td>
<td>$187,068</td>
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<tr>
<td>Timber Tax Distribution Account Appropriation for distribution to &quot;timber&quot; counties</td>
<td>$51,192,170</td>
</tr>
<tr>
<td>County Criminal Justice Assistance Appropriation</td>
<td>($52,131,000)</td>
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<td>$53,130,820</td>
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<tr>
<td>Municipal Criminal Justice Assistance Appropriation</td>
<td>($21,069,000)</td>
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<td>$21,069,120</td>
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<tr>
<td>Liquor Excise Tax Account Appropriation for liquor excise tax distribution</td>
<td>$32,624,831</td>
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</tbody>
</table>

Liquor Revolving Account Appropriation
liquor profits distribution ............... ($57,511,693)

TOTAL APPROPRIATION ............... ($268,374,916)

$57,369,693

$270,755,175

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.

Sec. 802. 2003 1st sp.s. c 25 s 805 (uncodified) is amended to read as follows:

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.

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 for fiscal year 2004 ......................... $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 for fiscal year 2004 ......................... $374,000

Asbestos Account: For transfer to the state general fund ......................... $200,000

Electrical License Account: For transfer to the state general fund ......................... $7,000,000

Local Toxics Control Account: For transfer to the state toxics control account ......................... $4,059,000

Pressure Systems Safety Account: For transfer to the state general fund ......................... $1,000,000

Health Services Account: For transfer to the water quality account ......................... $8,182,000

State Treasurer's Service Account: For

Code Rev/LL:seg 174 S-4913.3/04 3rd draft
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>transfer to the general fund</td>
<td></td>
<td>($10,000,000)</td>
</tr>
<tr>
<td>Public Works Assistance Account</td>
<td>For transfer to the drinking water assistance account</td>
<td>$8,387,000</td>
</tr>
<tr>
<td>Tobacco Settlement Account</td>
<td>For transfer to the health services account, in an amount not to exceed the actual balance of the tobacco settlement account</td>
<td>($185,000,000)</td>
</tr>
<tr>
<td>Health Service Account</td>
<td>For transfer to the violence reduction and drug enforcement account</td>
<td>$7,789,000</td>
</tr>
<tr>
<td>Nisqually Earthquake Account</td>
<td>For transfer to the disaster response account</td>
<td>$6,200,000</td>
</tr>
<tr>
<td>Industrial Insurance Premium Refund Account</td>
<td>For transfer to the state general fund</td>
<td>$577,000</td>
</tr>
<tr>
<td>Public Service Revolving Account</td>
<td>For transfer to the state general fund</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>State Forest Nursery Revolving Account</td>
<td>For transfer to the state general fund, $250,000 for fiscal year 2004 and $250,000 for fiscal year 2005</td>
<td>$500,000</td>
</tr>
<tr>
<td>Flood Control Assistance Account</td>
<td>For transfer to the state general fund, $1,350,000 for fiscal year 2004 and $1,350,000 for fiscal year 2005</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Water Quality Account</td>
<td>For transfer to the water pollution control account</td>
<td>($10,500,000)</td>
</tr>
<tr>
<td>General Fund</td>
<td>For transfer to the water quality account, $3,870,000 for fiscal year 2004 and $4,557,000 for fiscal year 2005</td>
<td>$8,427,000</td>
</tr>
<tr>
<td>Insurance Commissioner's Regulatory Account</td>
<td>For transfer to the state general fund</td>
<td>($1,500,000)</td>
</tr>
<tr>
<td>Health Services Account</td>
<td>For transfer to the tobacco prevention and control account</td>
<td>($24,216,000)</td>
</tr>
</tbody>
</table>

$14,034,513

$2,500,000

$23,856,753
From the Emergency Reserve Fund: For transfer to the state general fund, not to exceed the actual balance of the emergency reserve fund. This transfer is intended to liquidate the emergency reserve fund. ($59,350,000) ($58,100,000)

Department of Retirement Systems Expense Account: For transfer to the state general fund. ($1,500,000) ($5,500,000)

Woodstove Education and Enforcement Account: For transfer to the air pollution control account. $600,000

Multimodal Transportation Account: For transfer to the air pollution control account for fiscal year 2004. The amount transferred shall be deposited into the segregated subaccount of the air pollution control account created in Engrossed Substitute Senate Bill No. 6072, chapter 264, Laws of 2003. The state treasurer shall perform the transfer from the multimodal transportation account to the air pollution control subaccount on a quarterly basis. ($4,170,726)

Multimodal Transportation Account: For transfer to the vessel response account for fiscal year 2004. $1,213,704

Resource Management Cost Account: For transfer to the contract harvesting revolving account. $250,000

Forest Development Account: For transfer to the contract harvesting revolving account. $250,000

Site Closure Account: For transfer to the state general fund. $13,800,000

Health Services Account: For transfer to the general fund--state for fiscal year 2005. ($1,250,000) ($78,948,000)

K-20 Technology Account: For transfer to the state general fund. $1,281

Education Technology Revolving Fund: For transfer to the state general fund. $954,000
Gambling Revolving Fund: For transfer to the state general fund .................. $3,000,000

State Building Construction Account: For transfer to the conservation assistance revolving account .... $500,000

Wildlife Account: For transfer to the special wildlife account, $250,000 in fiscal year 2004 and $250,000 in fiscal year 2005 ....................... $500,000

Sec. 803. 2003 1st sp.s. c 25 s 806 (uncodified) is amended to read as follows:

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)) $12,000

(End of part)
NEW SECTION.  Sec. 901. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

FUND BALANCE TRANSFER. At the end of fiscal year 2004, the office of financial management shall transfer to the general fund-state fund balance the unspent federal fiscal relief grant moneys received as a result of P.L. 108-27 (federal jobs and growth tax relief reconciliation act of 2003). Pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer.

NEW SECTION.  Sec. 902. A new section is added to 2003 1st sp.s. c 25 (uncodified) to read as follows:

AGENCY EXPENDITURES FOR MOTOR VEHICLES. The use of hybrid motor vehicles reduces air contaminants, greenhouse gas emissions and reliance on imported sources of petroleum. To foster the use of hybrid motor vehicles, beginning July 1, 2004, before the purchase or lease of a motor vehicle, state agencies should first consider the feasibility of hybrid motor vehicles. State agencies should strive to purchase or lease a hybrid motor vehicle when the use of such vehicle is consistent with and can accomplish the agency's mission and when the purchase is financially reasonable. The financial assessment should include savings accruing from reduced fuel purchases over the life of the vehicle. Agencies shall report on their purchases of hybrid vehicles in their biennial sustainability plans as required under executive order 02-03.

Sec. 903. 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-))2003-2005 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)). The commission shall not increase fees for the purpose of restoring the excess fund balance transferred under this section.

**Sec. 904.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended to read as follows:

(1) The proceeds from the sale of the bonds authorized herein shall be deposited in the state building construction account which is hereby established in the state treasury and shall be used exclusively for the purposes of carrying out the provisions of the capital appropriation acts, and for payment of the expense incurred in the printing, issuance, and sale of such bonds.

(2) During the 2003-2005 biennium, the legislature may transfer moneys from the state building construction account to the conservation assistance revolving account such amounts as reflect the excess fund balance of the account.

**Sec. 905.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to read as follows:

(1) The director of financial management shall provide all agencies with a complete set of instructions for submitting biennial budget requests to the director at least three months before agency budget documents are due into the office of financial management. The director shall provide agencies and committees that are required under
RCW 44.40.070 to develop comprehensive six-year program and financial plans with a complete set of instructions for submitting these program and financial plans at the same time that instructions for submitting other budget requests are provided. The budget document or documents shall consist of the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period, as well as an outline of the proposed six-year financial policies where applicable, and shall describe in connection therewith the important features of the budget. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature. The budget document or documents shall set forth a proposal for expenditures in the ensuing fiscal period, or six-year period where applicable, based upon the estimated revenues and caseloads as approved by the economic and revenue forecast council and caseload forecast council or upon the estimated revenues and caseloads of the office of financial management for those funds, accounts, sources, and programs for which the forecast councils do not prepare an official forecast, including those revenues anticipated to support the six-year programs and financial plans under RCW 44.40.070. In estimating revenues to support financial plans under RCW 44.40.070, the office of financial management shall rely on information and advice from the transportation revenue forecast council. Revenues shall be estimated for such fiscal period from the source and at the rates existing by law at the time of submission of the budget document, including the supplemental budgets submitted in the even-numbered years of a biennium. However, the estimated revenues and caseloads for use in the governor's budget document may be adjusted to reflect budgetary revenue transfers and revenue and caseload estimates dependent upon budgetary assumptions of enrollments, workloads, and caseloads. All adjustments to the approved estimated revenues and caseloads must be set forth in the budget document. The governor may additionally submit, as an appendix to each supplemental, biennial, or six-year
agency budget or to the budget document or documents, a proposal for
expenditures in the ensuing fiscal period from revenue sources derived
from proposed changes in existing statutes.

Supplemental and biennial documents shall reflect a six-year
expenditure plan consistent with estimated revenues from existing
sources and at existing rates for those agencies required to submit
six-year program and financial plans under RCW 44.40.070. Any
additional revenue resulting from proposed changes to existing statutes
shall be separately identified within the document as well as related
expenditures for the six-year period.

The budget document or documents shall also contain:
(a) Revenues classified by fund and source for the immediately past
fiscal period, those received or anticipated for the current fiscal
period, those anticipated for the ensuing biennium, and those
anticipated for the ensuing six-year period to support the six-year
programs and financial plans required under RCW 44.40.070;
(b) The undesignated fund balance or deficit, by fund;
(c) Such additional information dealing with expenditures, revenues, workload, performance, and personnel as the legislature may
direct by law or concurrent resolution;
(d) Such additional information dealing with revenues and expenditures as the governor shall deem pertinent and useful to the
legislature;
(e) Tabulations showing expenditures classified by fund, function, activity, and agency. However, documents submitted for the ((2003-05))
2005-07 biennial budget request need not show expenditures by activity;
(f) A delineation of each agency's activities, including those
activities funded from nonbudgeted, nonappropriated sources, including
funds maintained outside the state treasury;
(g) Identification of all proposed direct expenditures to implement
the Puget Sound water quality plan under chapter 90.71 RCW, shown by
agency and in total; and
(h) Tabulations showing each postretirement adjustment by
retirement system established after fiscal year 1991, to include, but
not be limited to, estimated total payments made to the end of the
previous biennial period, estimated payments for the present biennium,
and estimated payments for the ensuing biennium.
(2) The budget document or documents shall include detailed estimates of all anticipated revenues applicable to proposed operating or capital expenditures and shall also include all proposed operating or capital expenditures. The total of beginning undesignated fund balance and estimated revenues less working capital and other reserves shall equal or exceed the total of proposed applicable expenditures. The budget document or documents shall further include:

(a) Interest, amortization and redemption charges on the state debt;
(b) Payments of all reliefs, judgments, and claims;
(c) Other statutory expenditures;
(d) Expenditures incident to the operation for each agency;
(e) Revenues derived from agency operations;
(f) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and those anticipated for the current biennium and next ensuing biennium, as well as those required to support the six-year programs and financial plans required under RCW 44.40.070;
(g) A showing and explanation of amounts of general fund and other funds obligations for debt service and any transfers of moneys that otherwise would have been available for appropriation;
(h) Common school expenditures on a fiscal-year basis;
(i) A showing, by agency, of the value and purpose of financing contracts for the lease/purchase or acquisition of personal or real property for the current and ensuing fiscal periods; and
(j) A showing and explanation of anticipated amounts of general fund and other funds required to amortize the unfunded actuarial accrued liability of the retirement system specified under chapter 41.45 RCW, and the contributions to meet such amortization, stated in total dollars and as a level percentage of total compensation.

(3) A separate capital budget document or schedule shall be submitted that will contain the following:

(a) A statement setting forth a long-range facilities plan for the state that identifies and includes the highest priority needs within affordable spending levels;
(b) A capital program consisting of proposed capital projects for the next biennium and the two biennia succeeding the next biennium consistent with the long-range facilities plan. Insomuch as is
practical, and recognizing emergent needs, the capital program shall reflect the priorities, projects, and spending levels proposed in previously submitted capital budget documents in order to provide a reliable long-range planning tool for the legislature and state agencies;

(c) A capital plan consisting of proposed capital spending for at least four biennia succeeding the next biennium;

(d) A strategic plan for reducing backlogs of maintenance and repair projects. The plan shall include a prioritized list of specific facility deficiencies and capital projects to address the deficiencies for each agency, cost estimates for each project, a schedule for completing projects over a reasonable period of time, and identification of normal maintenance activities to reduce future backlogs;

(e) A statement of the reason or purpose for a project;

(f) Verification that a project is consistent with the provisions set forth in chapter 36.70A RCW;

(g) A statement about the proposed site, size, and estimated life of the project, if applicable;

(h) Estimated total project cost;

(i) For major projects valued over five million dollars, estimated costs for the following project components: Acquisition, consultant services, construction, equipment, project management, and other costs included as part of the project. Project component costs shall be displayed in a standard format defined by the office of financial management to allow comparisons between projects;

(j) Estimated total project cost for each phase of the project as defined by the office of financial management;

(k) Estimated ensuing biennium costs;

(l) Estimated costs beyond the ensuing biennium;

(m) Estimated construction start and completion dates;

(n) Source and type of funds proposed;

(o) Estimated ongoing operating budget costs or savings resulting from the project, including staffing and maintenance costs;

(p) For any capital appropriation requested for a state agency for the acquisition of land or the capital improvement of land in which the primary purpose of the acquisition or improvement is recreation or wildlife habitat conservation, the capital budget document, or an
omnibus list of recreation and habitat acquisitions provided with the
governor's budget document, shall identify the projected costs of
operation and maintenance for at least the two biennia succeeding the
next biennium. Omnibus lists of habitat and recreation land
acquisitions shall include individual project cost estimates for
operation and maintenance as well as a total for all state projects
included in the list. The document shall identify the source of funds
from which the operation and maintenance costs are proposed to be
funded;

(q) Such other information bearing upon capital projects as the
governor deems to be useful;
(r) Standard terms, including a standard and uniform definition of
normal maintenance, for all capital projects;
(s) Such other information as the legislature may direct by law or
concurrent resolution.

For purposes of this subsection (3), the term "capital project"
shall be defined subsequent to the analysis, findings, and
recommendations of a joint committee comprised of representatives from
the house capital appropriations committee, senate ways and means
committee, legislative transportation committee, legislative evaluation
and accountability program committee, and office of financial
management.

(4) No change affecting the comparability of agency or program
information relating to expenditures, revenues, workload, performance
and personnel shall be made in the format of any budget document or
report presented to the legislature under this section or RCW
43.88.160(1) relative to the format of the budget document or report
which was presented to the previous regular session of the legislature
during an odd-numbered year without prior legislative concurrence.
Prior legislative concurrence shall consist of (a) a favorable majority
vote on the proposal by the standing committees on ways and means of
both houses if the legislature is in session or (b) a favorable
majority vote on the proposal by members of the legislative evaluation
and accountability program committee if the legislature is not in
session.

Sec. 906. RCW 43.105.830 and 1999 c 285 s 9 are each amended to
read as follows:
(1) The K-20 technology account is hereby created in the state treasury. The department of information services shall deposit into the account moneys received from legislative appropriations, gifts, grants, and endowments for the buildout and installation of the K-20 telecommunication system. The account shall be subject to appropriation and may be expended solely for the K-20 telecommunication system. Disbursements from the account shall be on authorization of the director of the department of information services with approval of the board.

(2) During the 2003-2005 biennium, the legislature may transfer moneys from the K-20 technology account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 907. RCW 43.105.835 and 1999 c 285 s 10 are each amended to read as follows:

(1) The education technology revolving fund is created in the custody of the state treasurer. All receipts from billings under subsection (2) of this section must be deposited in the revolving fund. Only the director of the department of information services or the director's designee may authorize expenditures from the fund. The revolving fund shall be used to pay for network operations, transport, equipment, software, supplies, and services, maintenance and depreciation of on-site data, and shared infrastructure, and other costs incidental to the development, operation, and administration of shared educational information technology services, telecommunications, and systems. The revolving fund shall not be used for the acquisition, maintenance, or operations of local telecommunications infrastructure or the maintenance or depreciation of on-premises video equipment specific to a particular institution or group of institutions.

(2) The revolving fund and all disbursements from the revolving fund are subject to the allotment procedure under chapter 43.88 RCW, but an appropriation is not required for expenditures. The department of information services shall, in consultation with entities connected to the network under RCW 43.105.820 and subject to the review and approval of the office of financial management, establish and implement a billing structure for network services identified in subsection (1) of this section.
(3) The department shall charge those public entities connected to the K-20 telecommunications [telecommunication system] under RCW 43.105.820 an annual copayment per unit of transport connection as determined by the legislature after consideration of the K-20 board's recommendations. This copayment shall be deposited into the revolving fund to be used for the purposes in subsection (1) of this section. It is the intent of the legislature to appropriate to the revolving fund such moneys as necessary to cover the costs for transport, maintenance, and depreciation of data equipment located at the individual public institutions, maintenance and depreciation of the network backbone, and services provided to the network under RCW 43.105.815.

(4) During the 2003-05 biennium, the legislature may transfer moneys from the education technology revolving fund to the state general fund and the data processing revolving fund such amounts as reflect the excess fund balance of the account.

NEW SECTION. Sec. 908. A new section is added to chapter 43.180 RCW to read as follows:

HOUSING FINANCE COMMISSION. For the period July 1, 2004, through June 30, 2005, the housing finance commission may not allocate federal low-income housing tax credits or otherwise authorize or support any project providing housing assistance to drug and alcohol abusers unless the project also provides treatment for the drug and alcohol abuse and limits access to drugs and alcohol.

Sec. 909. RCW 69.50.520 and 2003 1st sp.s. c 25 s 930 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((6)(1)) (9)(a), 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 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, funding drug offender treatment services in accordance with RCW 70.96A.350, maintenance and operating costs of the Washington association of sheriffs and police chiefs jail reporting system, maintenance and operating costs of the juvenile rehabilitation administration's client activity tracking system, civil indigent legal representation, multijurisdictional narcotics task forces, methamphetamine response, crime labs, Washington state patrol special weapons and tactics teams, and grants to community networks under chapter 70.190 RCW by the family policy council.

NEW SECTION. Sec. 910. 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. 911. 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.

(End of part)
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